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# POM Assignment

## 2HS341 PRINCIPLES OF MANAGEMENT

### 1. Select any one company. Write down its vision and mission.

**Company :** Google

**Mission :**

Google's vision statement is "to provide access to the world's information in one click." The company's nature of business is a direct manifestation of this vision statement. For instance, Google's most popular product is its search engine service. This product enables people to easily access information from around the world.

**Vision :**

Google's mission statement is "to organize the world's information and make it universally accessible and useful." Ever since its beginnings, the company has focused on developing its proprietary algorithms to maximize effectiveness. Google continues to focus on ensuring that people access the information they need.

### 2. Case study :

*Keshavam Engineering Works Limited is a major industrial machineries besides other engineering products. It has enjoyed market preference for its machineries because of limited competition in the field. Usually there have been more orders than what the company could supply. However, the scenario changed quickly because of the entry of two new competitors in the field with foreign technological collaboration. For the first time, the company faced problem in marketing its products with usual profit margin. Sensing the likely problem, the chief executive appointed Mr Arvind Shetty as general manager to direct the operations of industrial machinery division. Mr Shetty had similar assignment abroad before coming back to India.*

*Mr. Shetty had a discussion with the Chief Executive about the nature of the problem being faced by the company so that he could fix-up his priority. The Chief Executive advised him to consult various heads of departments to have first-hand information. However, he emphasized that the company lacked an integrated planning system while members of the Board of Directors insisted on introducing this in several meetings both formally and informally.*

*After joining as General Manager, Mr Shetty got briefings from the heads of all departments. He asked all heads to identify major problems and issues concerning them. The marketing manager indicated that*

*in order to achieve higher sales, he needed more sales support. Sales people had no central organisation to provide sales support nor was there a generous budget for demonstration teams which could be sent to customers to win business.*

*The Production Manager complained about the old machines and equipment used in manufacturing. Therefore cost of production was high but without corresponding quality. While competitors had better equipment and machinery, Bharat Engineering neither replaced its age-old plant nor got it reconditioned. Therefore, to reduce the cost, it was essential to automate production lines by installing new equipment.*

*Director of Research and Development did not have any specific problem and, therefore, did not indicate for any change. However, a principal scientist in R&D indicated on one day that the Dire of R&D though very nice in his approach did not emphasize short-term research projects which could easily increase production efficiency to the extent of at least 20 percent within a very short period. Moreover, such projects did not involve any major capital outlay. Mr. Kumar got himself convinced about the management process going on in the division and the type of problems being faced.*

### **A. Discuss the nature and characteristics of the problems in this case.**

Nature and Characteristics of Management Process: The management process followed in Keshavam Engineering Works Limited, a major manufacturer of Industrial machinery, has the following characteristics:

1. **Planning:** Planning is the deliberate choice of a possible course of action in order to achieve the desired outcomes. The method of planning entails thought before acting. It entails deciding what should be done, how and where it should be done, who should do it, and how the outcomes should be measured. The planning process in Bharat Engineering Works Limited was separate for different functional areas; there is a lack of a centralized planning framework, which is the root of all problems.
2. **Organizing:** This is the method of breaking down work into manageable tasks or responsibilities, grouping them into posts, and delegating authority to each so that work gets done. The productivity of the company is aided by organization. The company's sales department had a decentralized structure in which lower-level managers were given accountability and authority for completing tasks. There is a shortage of sales support for the salespeople due to the lack of a centralized sales organization in the business.
3. **Staffing:** This refers to filling the vacancies that are generated as a result of the organization's processes. This is a result of the organization process. This procedure entails selecting candidates for positions, determining financial compensation, training and growth, promotion, and transfer, among other things. Since the marketing manager said that he required more sales managers and sales professionals to achieve higher sales, the company's hiring structure can be said to be unbalanced. We are outsourcing our work due to a shortage of staff in the marketing department, which is increasing the cost of the work.

4. **Guidance:** Guidance is essential for achieving the desired outcome. After subordinates have been orientated, the superior has the ongoing duty of directing and leading them toward improved job results and inspiring them to work with passion, trust, and enthusiasm. The company's R&D department's directing process was based on long-term research projects rather than short-term research projects that could easily improve production quality. The production manager decided to replace the old manufacturing machines and equipment, but top management refused to help him.
5. **Coordination and Control:** As a management activity, coordination relates to the role of coordinating the activities of various units within an organization in order to achieve the organization's objectives efficiently. The controlling role identifies any deviations from the strategy or policies and assists management in making the required adjustments. The group was falling behind in terms of coordination and control due to a lack of centralised planning and organization.

**B. What steps should be taken by Mr Shetty to overcome these problems?**

Mr. Arvind Kumar was appointed General Manager to oversee the industrial machinery division's operations. To solve the company's industrial machinery division's problems, he should take the following steps:

1. Mr. Kumar should focus on enabling an integrated planning system in the company. Mr. Kumar should focus on enabling an integrated planning system in the company. This integrated framework will aid in the coordination of planning activities across departments.
2. A centralized department for salespeople should be created, as well as a large budget for a demonstration system that could be sent to customers on a trial basis to win business.
3. More sales managers should be hired by the organization. professionals to assist in distribution and promotions. The organization should also concentrate on merging the three different engineering groups into a single unit so that the engineers can provide assistance when required.
4. Mr. Kumar should take steps to improve the research and development department's operating procedures and urge the director of the R&D department to focus on short-term projects that can easily raise production performance by at least 20% in a short period of time.
5. In order to minimize manufacturing costs while also improving product quality, the company should repair or recondition old machineries and equipment. This will also help the company in combating competition and regaining market share.

### 3. Enlist Fayol's 14 principles of management:

The fourteen principles of management created by Henri Fayol are explained below :

1. **Division of Work-** Henri believed that segregating work in the workforce amongst the worker will enhance the quality of the product. Similarly, he also concluded that the division of work improves the productivity, efficiency, accuracy and speed of the workers. This principle is appropriate for both the managerial as well as a technical work level.
2. **Authority and Responsibility-** These are the two key aspects of management. Authority facilitates the management to work efficiently, and responsibility makes them responsible for the work done under their guidance or leadership.
3. **Discipline-** Without discipline, nothing can be accomplished. It is the core value for any project or any management. Good performance and sensible interrelation make the management job easy and comprehensive. Employees good behaviour also helps them smoothly build and progress in their professional careers.
4. **Unity of Command-** This means an employee should have only one boss and follow his command. If an employee has to follow more than one boss, there begins a conflict of interest and can create confusion.
5. **Unity of Direction-** Whoever is engaged in the same activity should have a unified goal. This means all the person working in a company should have one goal and motive which will make the work easier and achieve the set goal easily.
6. **Subordination of Individual Interest-** This indicates a company should work unitedly towards the interest of a company rather than personal interest. Be subordinate to the purposes of an organization. This refers to the whole chain of command in a company.
7. **Remuneration-** This plays an important role in motivating the workers of a company. Remuneration can be monetary or non-monetary. However, it should be according to an individual's efforts they have made.
8. **Centralization-** In any company, the management or any authority responsible for the decision-making process should be neutral. However, this depends on the size of an organization. Henri Fayol stressed on the point that there should be a balance between the hierarchy and division of power.
9. **Scalar Chain-** Fayol on this principle highlights that the hierarchy steps should be from the top to the lowest. This is necessary so that every employee knows their immediate senior also they should be able to contact any, if needed.
10. **Order-** A company should maintain a well-defined work order to have a favourable work culture. The positive atmosphere in the workplace will boost more positive productivity.

- 11. Equity-** All employees should be treated equally and respectfully. It's the responsibility of a manager that no employees face discrimination.
- 12. Stability-** An employee delivers the best if they feel secure in their job. It is the duty of the management to offer job security to their employees.
- 13. Initiative-** The management should support and encourage the employees to take initiatives in an organization. It will help them to increase their interest and make them worth.
- 14. Esprit de Corps-** It is the responsibility of the management to motivate their employees and be supportive of each other regularly. Developing trust and mutual understanding will lead to a positive outcome and work environment.

*This 14 principles of management are used to manage an organization and are beneficial for prediction, planning, decision-making, organization and process management, control and coordination.*

#### **4. Describe MBO. It's meaning and importance.**

**Description :** MBO is a management practice which aims to increase organizational performance by aligning goals and subordinate objectives throughout the organization.

Management by Objectives (MBO) is a strategic approach to enhance the performance of an organization. It is a process where the goals of the organization are defined and conveyed by the management to the members of the organization with the intention to achieve each objective.

#### **Importance :**

1. Management by objectives (MBO) allows managers to do comprehensive planning because it is a result-oriented approach that focuses on setting and managing goals.
2. There is no position uncertainty or misunderstanding since both the boss and the subordinates know what is required of them.
3. Managers must define measurable performance goals and expectations, as well as objectives for these targets. Furthermore, the personnel's roles and authority are clearly defined.
4. It raises employee awareness of the company's objectives. The majority of the time, subordinates are concerned with their own goals and the world in which they operate. However, with MBO, subordinates are proud to be a part of the organization's objectives. This boosts their motivation and dedication.
5. Management by objectives (MBO) also illustrates areas where workers need further preparation, resulting in career advancement.
6. The method of periodic assessment informs subordinates of their results. Since MBO emphasizes quantifiable goals, assessment and evaluation can be more realistic, precise, and fair.
7. It enhances management and subordinate coordination.

### 5. Describe MBO. It's meaning and importance.

*Nutan Tiffin Box service was started in Mumbai by the Mumbai Dabbawalas. The Dabbawalas who are the soul of entire Mumbai aim to provide prompt and efficient services by providing tasty homemade tiffin to all office goers at the right time and place. The service is uninterrupted even on the days of bad weather, political unrest and social disturbances. Recently, they have started online booking system through their website 'mydabbawala.com'. Owing to their tremendous popularity amongst the happy and satisfied customers and members, the Dabbawalas were invited as guest lecturer by top business schools. The Dabbawalas operate in a group of 25-30 people alongwith a group leader.*

*Each group teams up with other groups in order to deliver the tiffins on time. They are not transferred on frequent basis as they have to remember the addresses of their customers. They follow certain rules while doing trade—no alcohol during working hours; no leaves without permission; wearing white caps and carrying ID cards during business hours. Recently, on the suggestion of a few self-motivated fellow men, the dabbawalas thought out and executed a plan of providing food left in tiffins by customers to slum children. They have instructed their customers to place red sticker if food is left in the tiffin, to be fed to poor children later.*

#### A. 1. State any one principle of management given by Fayol and one characteristic of management mentioned in the above case.

- *Stability of personnel* - once hired, employees should be held at their post/position for a set period of time. They should be given a fair amount of time to present their findings.
- *Discipline* - Discipline is the observance of organizational rules and employment agreements that are required for the organization's operation to run smoothly.
- *Espirit de corps* - According to Fayol, management should encourage workers to work together in a spirit of peace and harmony.

#### B. 2. Give any two values which the Dabbawalas want to communicated to society.

Values that have been communicated by the Dabbawalas :

- *Fulfilling social responsibility*
- *Team work*

### 6. You are the automotive engineer of tata motors and it is planned to produce 50 cars by 2022, what will be your plan for completing this task.

1. Identify and divide the work:

- *Mechanics*
- *Scheduling timing of trains*
- *Online services*
- *Financial work*

- *Health and Safety Precautions*

## 2. Grouping the department and jobs

- *Electrical And EC*
- *Mechanical*
- *Contractors*
- *Management and Consulting*

## 7. Differentiate between Planning and Strategic Planning.

Planning	Strategic Planning
It is a part of the managerial process.	It is a part of decision-making.
It takes assumptions.	It is based on practical experiences.
It can be for short term or long term.	It is for the long term.
It is future oriented.	It is action oriented.
It leads to programs.	It leads to planning.
It is like a map for guidance.	It takes you to your destination.

## 8. Case Study:

*A shoe manufacturing company wants to become a market leader. For this a detailed planning is required. The first step taken by the firm is to set targets for the three months duration for selling maximum number of shoes in the market which they set as 2,50,000. The team doesn't want to make any mistake so they decide to do proper planning. They decide to chalk out alternative plans so that they can arrive at the best possible plan. However the team is surrounded with doubts. To remove doubts it goes for judging the plans to get the most profitable one. The plan is taken to the whole organisation and the concerned persons. Ultimately it is put into action. Without much caring for the results the company starts working on the other project simultaneously.*

*Identify the steps in the planning process which have been applied by the organisation in the above case?*

In the above case the steps of planning which are applied are:

1. **Setting Objectives :** The first step taken by the firm is to set targets for the three months duration for selling maximum number of shoes in the market which they set as 2,50,000.
2. **Identifying alternative courses of action :** They decide to chalk out alternative plans so that they can arrive at the best possible plan.



3. **Evaluating the different courses of action :** To remove doubts it goes for selecting the plan which can be considered as the most profitable.
4. **Selection of the best plan :** The best plan is finalised.
5. **Implementation of the plan :** Ultimately it is put into action.

## 9. Case Study:

*Ramdas, aged 49 is working in an aviation company. He is the senior most employee in his division. He is even senior to the division manager, Kanaputti. Ramdas is considered one of the most committed, capable and hard-working employees. As a result of his abilities and seniority, he generally received the work assignments of his choice. Although there was no formal designation of various „special’ projects assigned to Ramdas, he handled them as a matter of routine. A problem developed when an able and intelligent person Nagarjuna, aged 33, was appointed by Kanaputti. Nagarjun’s previous three years’ experience in the closely related work, made it possible for him to catchon to the routine work of his new job more rapidly than was customary for a new employee. On several occasions, Kanaputti noticed the tension developing between the two employees. However, he didn’t want to get involved in their personal issues as long as the work was completed effectively and efficiently by them. One day, the tension between them reached the boiling point and Ramdas complained to Kanaputti stating that his duties were being largely taken over by Nagarjun. Kanaputti issued the order stating the clear allocation of the jobs and related duties between the two. He further clarified the working relationship between them by specifying who was to report to whom. This helped in reducing the workload, enhancing productivity and removing ambiguity.*

1. **Identify and state the step of organizing process which has not been carried out properly and contributed to this problem.**

The step of organising process which has not been carried out properly is “assignment of duties”.

Having completed the grouping of activities into specific jobs, the next step of organising is assignment of duties. Assignment of duties means defining the work of different job positions and allotting the work to the employees according to their skills.

2. **State the two steps of the organizing process which have been taken by Kanaputti to respond to the complaint of Ramdas.**

Two steps of organizing process taken by Kanaputti are:

- A. Assigning the duties
- B. Establishing a reporting relationship

3. **Also state two points of importance of organizing as reflected in the above case.**



Two points of importance of organizing which are reflected in the above case are:

- A. Benefits of specialization
- B. Effective administration

**10. Consider yourself as chief engineer for Ahmedabad - Gandhinagar metro railway implementation of organising and planning. Think and identify activity, group activity, delegate and power activity. what will you do for real implementation?**

### **1. Identify & divide work/jobs**

- Budget Estimation
- Micro-planning
- Handling land related matters (Legal formalities and purchase)
- Recruitment of manpower
- Construction
- Tunnelling
- Rail installation
- Lighting
- Mechanics
- Scheduling timing of trains (dept. time)
- Online services (ticket booking, GPS)
- Recourse gathering
- Financial works
- Health and Safety precaution

### **2. Grouping the dept. and jobs**

- Civil and Architecture
- Electrical and EC
- Mechanical
- Contractors
- IT and CSE
- Management, consultant

### **3. Assigning jobs**

- Identifying the strengths of candidates
- Allocating the task to suitable candidates and getting maximum work out of the manpower
- Managing hundreds of people and satisfy their demands

#### **4. Delegations of jobs**

- Setting up the chain of command
- Passing the orders from managers to subordinates in respective departments
- Appointing heads in each department who makes sure that the line of command is obeyed and followed

### **11. Case Study:**

*“Shan Spices Ltd.” are the manufacturer of different food specific spices like Rajma Masala, Cholley Masala, Aaloo Paratha Masala etc. Mr. Raghav, the owner of the company has created different departments for purchase, production, marketing, finance and human resource. There are thirty employees working in the organization. Planning is of paramount importance to the company as Mr. Raghav believes that effective planning leads to achievement of organizational objectives. So, in order to make employees focus on objectives, he issued instructions that during working hours only official matters will be discussed. He made certain rules and code of conduct for the employees to follow, according to which employees are not allowed to visit and talk to the employees of other departments except for official work. He emphasized on work performance which resulted in smooth functioning of the organization.*

#### **1. Identify and state the type of organisation mentioned in the above para.**

It is a formal organization as formal organization refers to organization structure that is designed by the management to accomplish a particular objective.

#### **2. State one feature of the concept identified in part (a) as mentioned in the above para.**

Emphasize on work: The formal organization emphasizes more on work rather than the interpersonal relation of employees.

**3. What was the purpose behind the formulation of rules for the employees that restricted their personal communication with the employees of other departments?**

The main purpose behind this restriction is that Mr. Raghav believe planning is of paramount importance and this leads to achievement of organizational objectives. So, he decided to restrict their personal communication and only allowed official matters discussion.

**4. State two values violated by Mr. Raghav.**

Freedom of employees is violated by Mr. Raghav.

**12. Differentiate between leaders and managers. What qualities are required for leadership and managerial functions?**

The main difference between leaders and managers is that people follows leader while people who work for managers. A good business owner or CEO needs to be good leader and good manager to get work from their team or to follow them towards their idea of success. Leadership is all about getting people to understand and believe in your vision and to work with you to achieve your goals while managing is more about administering and making sure the day-to-day things are happening as they should. Leadership is working towards long term goals while managing is taking care of small daily goals to fulfil long term goal.

Leader	Manager
Leader has a vision and set the direction Thinks of long-term goals	Manager does not have a vision. He just copies and sets a plan
Leaders always take calculate risk Works for innovation	Thinks of short-term goals Manager controls risk Works for a structure
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**13. Define EQ, IQ, SQ, PQ**

EQ:

- Emotional Quotient is fullform of EQ, it shows emotional intelligence
- EQ is related with good performance in 9 distinct areas of leadership and management. From Goleman's research we can conclude that EQ is the sine qua non – absolute requirement – of leadership.

IQ:

- Intelligence Quotient is full form of IQ, it is a measure of a person's reasoning ability.
- it measures how well a person can use given information and apply logic to answer questions by making all predictions.

SQ:

- Intelligence Quotient is full form of SQ, it shows a person's spiritual intelligence.
- SQ is the intelligence using which we solve different-different problems of meaning and value in life.
- SQ basically integrates IQ and EQ, that's why it's our superior intelligence.

PQ:

- Positive Quotient is the fullform of PQ It measures the power of your positive mental muscles in comparison with the negative mental muscles
- It's basically our mental fitness. It indicates how happy you are.

#### 14. Leadership skill test <https://testyourself.psychtests.com/testid/2152>

The screenshot shows a web browser displaying the PsychTests website. The URL in the address bar is [testyourself.psychtests.com/bin/transfer](https://testyourself.psychtests.com/bin/transfer). The page features a blue header with the PsychTests logo and navigation links. On the left, there is a 'MEMBERS' section with a login form (email/username, password, SIGN IN) and a 'register' link. Below this is a Facebook 'Like Page' button with 3.1K likes. The main content area is titled 'Leadership Skills Test' and includes a 'Snapshot Report' for 'Communicating Vision'. A progress bar shows a score of 74 out of 100. The report text states: 'According to your answers, you are likely able to envision a clear direction for your company and communicate your plans in a way that excites others. This is an essential skill, because employees will be much more willing to achieve a goal if they are passionate about it. Remember that the manner in which you communicate your vision is essential. For instance, if you present your ideas to others in a confident manner, they will likely go over more easily. People who excel in this area are innovative visionaries who are confident in their ability to persuade and convince others. They consider it essential to make those they lead aware of, as well as part of, their vision.' The right sidebar contains an 'ADVERTISEMENT' placeholder.

#### 15. Define :

##### • Authority

Authority can be characterized as a person's ability to effectively use and distribute resources, make decisions, and issue orders in order to accomplish organizational goals. The concept of authority must be well defined. The people in positions of power should be aware of their authority's breadth and should not abuse it. The power to issue directives, instructions, and receive them is known as authority.

##### • Communication

For managers of organisations to execute the core tasks of management, such as planning, organizing, leading, and controlling, effective communication is critical. Managers benefit from communication in order to carry out their duties and obligations. Planning is built on the basis of communication. The the information must be transmitted to the management, who must then communicate the preparations in order to put them into action.

**• Delegate**

Delegation of authority is the process of dividing and sharing authority and powers among subordinates. Where a manager's workload exceeds his capability, a method of job sharing should be in place. As a result, delegation of authority becomes an essential tool in the operation of an organisation. A manager multiplies himself by dividing/multiplying his resources by delegation his work with the subordinates.

**• Diversity**

According to People Scout, workplace diversity includes a wide range of variations among employees, including color, upbringing, gender, gender orientation, educational background, religion, and more. The implementation of procedures and methods to promote and embrace diversity within an organisation is referred to as diversity management.

**• Effectiveness**

Effectiveness in management refers to a company's willingness to meet its objectives within a given time frame. It's about doing the right thing or what should be done.

**• Efficiency**

Efficiency in management refers to doing tasks with the least amount of material waste, as well as maximizing resource utilization so that the organization can optimize benefit.

**• Interpersonal skill**

The attitudes and strategies that an individual employs to successfully deal with others are known as interpersonal skills. The phrase refers to an employee's willingness to collaborate together with others in the workplace. Communication and listening qualities, as well as temperament and deportment, are also examples of interpersonal skills.

**• Leading**

Leading entails using social and informal channels of authority to motivate people to take action. If managers are good supervisors, their subordinates would be motivated to work hard to achieve corporate goals.

**• Plan**

Setting goals and deciding a course of action to achieve those objectives is the role of planning in management. Managers must be mindful of the current state of their organization's climate and predict future circumstances in order to plan. It also necessitates that management make sound decisions.

**• Planning**

Setting goals and deciding a course of action to achieve those objectives is the role of planning in management. Managers must be mindful of the current state of their organization's climate and predict future circumstances in order to plan. It also necessitates that management make sound decisions.

**• Organization**

An organization is a group of individuals who work together to achieve a set of goals. It can be thought of as a social structure that encompasses all structured human interactions. The organisation entails mission alignment and division of labor among employees in order to achieve the company's ultimate objective.

**• Organizing**

Organizing is a management function that entails creating an organizational framework and allocating human capital to ensure that goals are met. The context within which effort is organized is the organization's structure. An organisation map, which includes a visual description of the chain of command within an organization, is often used to depict the hierarchy. Organizational architecture decisions relate to the decisions taken on the layout of an organisation.

**• Staffing**

The practice of recruiting qualified applicants for particular positions within an agency or corporation is known as staffing. Staffing is a management term that refers to the process of hiring workers, assessing their qualifications and knowledge, and then assigning them to particular work positions.



- **Productivity**

Productivity is defined as a total output per one unit of a total input. It is a measure of how efficiently a process runs and how effectively it uses resources.

- **Bureaucratic management**

Concept of hierarchical control and division of labour

- **Scientific management**

Knowing exactly what you want men to do and seeing that they do it in the best and the cheapest way

- **Total Quality management**

Based on the principle that every member of staff must be committed to maintaining high standards of work in every aspect of a company's operations.

- **Pest analysis**

PEST Analysis (political, economic, social, and technological) is a management technique that allows a company to determine significant external variables that affect its operations in order to improve its market competitiveness.

- **Swot analysis**

SWOT analysis (strengths, vulnerabilities, prospects, and threats) is a method for assessing a company's competitive position and developing growth plans. Internal and external variables, as well as present and future prospects, are all evaluated in a SWOT study.

- **Culture**

The ideas, customs, and social behaviour of a particular people or society.

- **Code of conduct**

A code of ethics connects an organization's mission, ideals, and beliefs to professional conduct guidelines. The code expresses the ideals that the company wants to instill in its leaders and workers, as well as the action that is expected of them.

### • Value

Values are collective definitions about what is deemed decent, attractive, and appropriate or evil, undesirable, and improper in a society, as described by Organizational Behavior.

### • Morals

Morale is a term used to describe how workers feel about their careers, bosses, and businesses, and it is linked to the habits and attitudes they display in the workplace.

### • Integrity

Integrity is an essential trait that employers highly value. Integrity is the foundation for a successful employee-employer relationship. It promotes a professional culture in which individuals can depend on one another and treat each other with respect. As a result, people are typically more productive and motivated at work.

### • Accountability

The fact or condition of being accountable; responsibility.

## 16. Case Study:

*Ms. Renu had graduated with a degree in foreign languages. As the child of a military family, she had visited many parts of the world and had travelled extensively in Europe. Despite these broadening experiences, she had never given much thought to a career until her recent divorce. Needing to provide her own income, Ms. Renu began to look for work. After a fairly intense but unsuccessful search for a job related to her foreign language degree, she began to evaluate her other skills. She had become a proficient typist in college and decided to look into secretarial work. Although she still wanted a career utilizing her foreign language skills, she felt that the immediate financial pressures would be eased in a temporary secretarial position. Within a short period of time, she was hired as a clerk/typist in a typical pool at Life Insurance Company. Six months later, she became the top typist in the pool and was assigned as secretary to Mrs. Khan's manager of marketing research. She was pleased to get out of the pool and to get a job that had more variety in the tasks to perform. Besides, she also got a nice raise in pay. Everything seemed to proceed well for the next nine months. Mrs. Khan was pleased with Renu's work, and she seemed happy with her work. Renu applied for a few other more professional jobs in other areas during this time. However, each time her application was rejected for lack of related education and/or experience in the area. Over the next few months, Khan noticed changes in Renu. She did not always dress as neatly as she had in the past, she was occasionally late for work, some of her lunches extended to two hours, and most of her productive work was done in the morning hours. Khan did not wish to say anything because Renu had been doing an excellent job and her job tasks still were being accomplished on time. However, Renu's job behaviour continued to worsen. She began to be absent frequently on Mondays or Fridays. The two-hour lunch periods became standard, and her work performance began to Deteriorate. In addition, Khan began to*

*suspect that Renu was drinking heavily, due to her appearance some mornings and behaviour after two-hour lunches. Khan decided that she must confront Renu with the problem. However, she wanted to find a way to hold her without losing a valuable employee. Before she could set up a meeting, Renu burst through her front door after lunch one day and said: "I want to talk to you Mrs. Khan" "That's fine," Khan replied. "Shall we set a convenient time?" "No! I want to talk now." "OK, why don't you sit down and let's talk?" Khan noticed that Renu was slurring her words slightly and she was not too steady. "Mrs. Khan, I need some vacation time." "I'm sure we can work that out. You've been with company for over a year and have two weeks' vacation coming." "No, you don't understand. I want to start it tomorrow." "But, Renu, we need to plan to get a temporary replacement. We can't just let your job go for two weeks". "Why not? Anyway, anyone with an IQ above 50 can do my job. Besides, I need the time off." "Renu, are you sure you are all right?" "Yes, I just need some time away from the job." Khan decided to let Renu have the vacation, which would allow her some time to decide what to do about the situation. Khan thought about the situation the next couple of days. It was possible that Renu was an alcoholic. However, she also seemed to have a negative reaction to her job. Maybe Renu was bored with her job. She did not have the experience or job skills to move to a different type of job at present. Khan decided to meet with the Personnel Manager and get some help developing her options to deal with Renu's problem.*

**A. What is the problem in your opinion? Elaborate.**

Ms. Renu's application was denied, and she lost interest in her current job due to SELF DE-MOTIVATION, despite her high expectations for her dream career. She was also unhappy with her new role.

**B. How would you explain the behaviour of Renu and Mrs. Khan? Did Mrs. Khan handle the situation timely and properly?**

Both were having excellent RELATIONSHIP at workplace. Mrs. Khan had understood Mrs. Renu's situation, which she noticed over a period of time.

**C. Assume that you are the Personnel Manager. What are the alternatives available with Mrs. Khan? What do you consider the best alternative? Why?**

I don't want to make any conclusions, but I'd like to help ms. renu "unleash her hidden talent" in order to benefit the company and advance her career graph in a stipulated time and proportional to her performance. i don't want a worker to die at work as a result of a deadly job. I like to work with employees who are willing to demonstrate their abilities and who want to progress quickly.

**17. Case Study:**

*One afternoon in June 1972, Seth, the industrial engineer of ABC Company, was called to the office of his immediate superior Kapil, the production manager. Kapil said, "Seth. I want to discuss a situation in the*

*production department. A lot of people feel that Joshi is not the right man for the Assistant Superintendent's position. The President and others have decided that I have got to fire Joshi or at least move him out of production. Everyone wants to fire Joshi, but I won't do it to him. I was talking with Bhai this morning and we decided that you might be able to make use of Joshi in your department. Seth was surprised by both the information, and the proposal. Kapil concluded his comments with "Seth I am asking you to take Joshi. You can say 'No'. But then he gets fired. I have told Joshi this. Also, Joshi knows that if he goes with you he will take a pay cut. However, I think you can make use of him both to your own and his satisfaction. You are anyway, carrying out an in-process quality control, and you might be able to make good use of Joshi in view of his long technical experience of production work. Think it over, and let me know by tomorrow. Seth thought over the matter. ABC Company had been a successful enterprise until March 1972 at which time it suffered a sharp decline of profits: sales had fallen off, and production costs had risen. The President adopted three measures, which he hoped would improve the condition. First, by creating an Industrial Engineering department for establishing work standards on all production operations, to determine which manufacturing costs were out of line and where remedial action should be taken. Seth, 28 years old, who had been with the company for two years in the Purchasing department, was selected. Seth had B.E and M.B.A. degrees to his credit. What he lacked in his business experience he made up by his eagerness to learn. He was ambitious and liked by his associates. He wanted a transfer from Purchasing to Production for better opportunities for advancement. Secondly, he consulted a Management Consultation firm to make a study of the Production Department. They pointed out that the chain of command was too long from Production Manager through Plant Superintendent through Assistant Superintendent to Foremen. They recommended the elimination of the position of Assistant Superintendent. Thirdly, he engaged an Industrial Psychologist to appraise all the Supervisory Personnel. Joshi had been with the Company for 20 years since its founding, and during this period had worked on every production operation, and his last 11 years had been in supervisory capacity. His manners were rough and aggressive, and he had little formal education. The Industrial Psychologist's report about Joshi contained the following points: (i) Evaluation for the position of Assistant Superintendent, Not good enough. (ii) Capacity for good human relations in supervision: Will have friction frequently. (iii) Need for development counseling: Counseling greatly needed. (iv) General evaluation: Joshi had a good ability profile. He suffers from a sense of inferiority. He does not like the responsibility of making decisions. His supervision is that of autocratic type. Though he has the ability, as far as his personality makes-up is concerned, he is out of place in the present position.*

**A. What is the core problem in the case? Explain.**

So, in the above situation, the main issue, in my opinion, is a lack of faith between Kapil and Joshi. The issue also stems from Joshi's interactions with other company leaders, as indicated by the business counsellor.

**B. Explain Joshi's behaviour and work experience vis-à-vis the psychologist report.**

- An evaluation for the rank of Assistant Superintendent is being conducted. That's not nice enough.
- Supervisory capacity for strong human relations: There will be a lot of tension.
- Developmental counselling is critical: Developmental counselling is critical.
- Overall assessment: Joshi possessed a strong ability profile. He suffers from a feeling of inadequacy. He despises being in charge of making decisions. His supervision is autocratic in nature. Though he has the talent, he is out of place in the current situation due to his personality make-up.

**C. How do you see Kapil's suggestion to Seth? Give reasons.**

Kapil's suggestion, in my opinion, is a constructive response to the firm. As previously said, the firm is still losing money this year, and Joshi's work was not up to par, as even the president acknowledged. However, instead of firing him, Kapil suggested that he be transferred to the industrial line, which is a great idea because Joshi will keep his work and support the industrial team with his expertise.

**D. What are Seth's considerations in taking a decision? What should he do? Explain.**

In light of the above, Seth should invite Joshi to join his industrial team and make the most of Joshi's experience. This will be a win-win scenario for both the organization and the Joshi.

**18. Write a brief note on the life of dabbawalas.**

*On Friday, a glittering statue turned into unveiled at certainly considered one among South Mumbai's busiest junctions. This isn't any everyday statue. The big paintings are a tribute to Mumbai's famous "dabbawalas" – the tiffin shipping guys who're recognized internationally for his or her clockwork performance. In fact, Mumbai's community of almost 5,000 dabbawalas have end up synonymous with performance, precision and coherence.*

*They supply almost 2,00,000 lunch boxes a day. "Out of sixteen million deliveries, we make simplest one error. We are ninety nine.ninety nine percent, on the subject of performance," the overall secretary of the Mumbai Dabbawala Association, Subhas Talekar factors out.*

*Such information have earned them thousands of reward and visits from the likes of Prince Charles, Richard Branson or even personnel of main logistics agency FedEx. In 2010, the Harvard Business School posted a paper, “On Time Delivery, Every Time”, trying to discover how 5,000 semi-literate dabbawalas cater to one of the world’s maximum densely populous towns with almost six sigma performance, and with out the usage of any current technology.*

*The metropolis’s today's tribute to this ubiquitous organization is one extra feather of their cap. “We are delighted,” stated Ramdas, a dabbawallah as we accompanied him round for a day, looking to apprehend how the community functions. Ramdas wakes up at 6 am, exercises, eats a breakfast excessive on carbohydrates after which units off to paintings with the aid of using eight am, in which he and his colleagues choose up lunch bins from clients all around the metropolis. Groups of dabbawalas arrive at distinctive factors withinside the metropolis, in which the bins are taken care of consistent with a completely unique numbering system. Each of them is assigned a hard and fast range of lunch bins to supply.*

*“We usually go away from Lower Parel station on our cycles to supply dabbas among 1145 am and 1200 pm. We then should supply our parcels with the aid of using 1:00 pm. After that we prevent for lunch after which pass choose up the empty dabbas,” Ramdas adds. While speakme to us, he shouts out to his team to rush up as they can't come up with the money for to be overdue in handing over even single lunch box.*

*Whilst they use Mumbai’s nearby trains for performance, every dabbawala continues cycles – one to accumulate lunch bins and the opposite for shipping. Although current shipping offerings use scooters and motorcycles, Mumbai’s dabbawalas favor to preserve it vintage school. “We pick the usage of our bicycles as we are able to keep away from site visitors jams with the aid of using lifting our cycles and strolling to our locations with them instead,” says Kashinath, Ramdas’ nephew, who's additionally a dabbawala. Ramdas, like maximum of his brethren, follows a totally strict regimen. He remains farfar from alcohol, cigarettes, and meat. His food at some point of the day consist in particular of veggies and chapatis, or Indian flatbread. He avoids rice on weekdays, due to the fact that has a tendency to make him sleepy, and that’s a taboo while he strives for almost ideal performance together along with his deliveries.*

*It’s a hard life. To serve a metropolis that in no way sleeps and is famed for its nightlife, Ramdas desires to be up and strolling by the point maximum Mumbaikars have become domestic from a overdue night time at paintings or at play. He sleeps at nine pm on all days of the week besides Saturday, while he remains up until eleven or 12 and receives to spend a few exceptional time together along with his family.*

*The community of dabbawalas feature like small businesses. The sales generated with the aid of using a collection of dabbawalas is break up frivolously amongst its members. The length of the organization relies upon at the vicinity that it caters to and may have as many as 50 members.*

**19. Case Study:**

*The president of Simplex Mills sat at his desk in the hushed atmosphere, so typical of business offices, after the close of working hours. He was thinking about Rehman, the manager in-charge of purchasing, and his ability to work with George, the production manager, and Vipulabh, the marketing and sales manager in the firm.*

*When the purchasing department was established two years ago, both George and Vipulabh agreed with the need to centralise this function and place a specialist in charge. George was of the view that this would free his supervisors from detailed ordering activities. Vipulabh opined that the flow of materials into the firm was important enough to warrant a specialised management assignment. Yet since the purchasing department began operating it has been precisely these two managers who have had a number of confrontations with the new purchase manager, and occasionally with one another, in regard to the way the purchasing function is being carried out.*

*From George's point of view, instead of simplifying his job as production manager by taking care of purchasing for him, the purchasing department has developed a formal set of procedures that has resulted in as much time commitment on his part as he had previously spent in placing his orders directly with vendors. Further, he is specially irritated by the fact that his need for particular items or particular specification is constantly being questioned by the purchasing department. When the department was established, George assumed that the purchasing manager was there to fill his needs, not to question them.*

*As Vipulabh sees it, the purchasing function is an integral part of marketing function, and the two therefore need to be jointly managed as a unified process. Purchasing function cannot be separated from a firm's overall marketing strategy. However, Rehman has attempted to carry out the purchasing function without regard for this obvious relationship between his responsibilities and those of Vipulabh, thus making a unified marketing strategy impossible.*

*In his previous position, Rehman had worked in the purchasing department of a firm considerably larger than Simplex. Before being hired, he was interviewed by all the top managers, including George and Vipulabh, but it was the president himself who negotiated the details of the job offer. As Rehman sees it, he was hired as a professional to do a professional job. Both George and Vipulabh have been distracting him from this goal by presuming that he is somehow subordinate to them, which he believes is not the case. The people in the production department, who use the purchasing function most, have complained about the detail that he requires on their requisitions. But he has documented proof that materials are now being purchased much more economically than they were under the former decentralised system. He finds Vipulabh's interests more difficult to understand, since he sees no particular relationship between his responsibilities for efficient procurement, and Vipulabh's responsibilities to market the firm's products.*



*The president has been aware of the continuing conflict among three managers for some time, but on the theory that a little rivalry is healthy and stimulating, he has felt that it was nothing to be unduly concerned about. But now that much of his time is being taken up by much of what he considers to be petty bickering, the time has come to take some positive action.*

### **1. Is George's view of the situation realistic?**

In my opinion, George's assessment of the situation is unrealistic since every organization has several departments, each of which must have its own plans and job practices in order to achieve organizational performance.

### **2. How do you evaluate Vipulabh's position?**

The Vipulabh's recommendation to combine the purchasing and marketing departments into a single process is an appropriate and important concept from which both departments' processes will benefit.

### **3. How might this conflict be associated with factors in the formal organisation?**

Unresolved disputes can result in miscommunications due to misunderstanding or a failure to collaborate, as well as a reduction in creative cooperation and team problem solving.

However, if disagreement is handled correctly, it will lead to better decisions, process changes, new strategies, and employee relationships.

### **4. What should the president of Simplex Mills do now?**

Take a step back to consider the situation and see how the team will make a positive impact on the situation. He must intervene whether it becomes serious or continues for an extended period of time, causing a drastic shift in employee behaviour or a significant drop in productivity.

## **20. Case Study:**

*Gurpreet is running a retail mart in Varanasi to provide various types of products of daily use under one roof to the buyers. The employee turnover in his business is very high and he is perpetually on a look out for new staff. The fact of the matter is that he lacks managerial skills and assigns work to his employees on ad-hoc basis without letting them settle down in a specific work. This approach of his creates a sense of insecurity*

*among the employees and they tend to leave the job very quickly. However, he is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living.*

*In context of the above case:*

*Identify and explain the principle of management which Gurpreet is unable to apply and is perpetually on a look out for new staff.*

*“He is a very god fearing person and offers fair wages to his employees so they can afford a reasonable standard of living.” Name and explain the relevant principle of management will has been brought.*

### **Solution :**

- The principle that Gurpreet is unable to apply and is always on the lookout for new employees is as follows: Personnel Tenure Stability - Personnel tenure stability is a philosophy that states that in order for an organization to operate smoothly, personnel (especially managerial personnel) should not enter and leave the organization frequently.
- The most important management theory which has been brought into effect by Gurpreet's is : Fair Remuneration-This management philosophy, one of the 14 management principles, asserts that remuneration should be adequate to keep workers motivated and efficient. There are two forms of remuneration: nonmonetary (a compliment, increased duties, or credits) and monetary (salary increase, compensation, bonus or other financial compensation). At the end of the day, it's just about recognizing and rewarding hard work.

## **21. What do you mean by Manufacturing & Service Industry? Briefly**

### **Explain various departments of manufacturing & service industry.**

**Manufacturing Industry:** The branch of manufacture and trade based on the fabrication, processing, or preparation of products from raw materials and commodities. This includes all foods, chemicals, textiles, machines, and equipment. This includes all refined metals and minerals derived from extracted ores. This includes all lumber, wood, and pulp products.

**Service Industries:** The service industries involve the provision of services to businesses as well as final consumers. Such services include accounting, tradesmanship (like mechanic or plumber services), computer services, restaurants, tourism, etc.

Various departments of Manufacturing are:

- **Production:** This is the largest department, because it has hundreds of factory workers, and dozens of team leaders. They do and oversee the work that happens on the factory floor. They keep the machines running, and fix them when they break (unless it's a problem for an engineer). However, both the workers on the floor and the top production managers, and everyone in between, get direction from
- **Quality:** This is the department that ensures that every piece we make is at our standards. They run tests on all the aluminium that comes in. They test pieces that our suppliers send us. They are in charge of designing and implementing the system of checks that workers on the factory floor must run. They are also responsible for maintaining the stock of thousands of callipers, each capable of micron-level measurement, and keeping all of them properly calibrated. This department pulls a few pieces from every lot for testing, tests them with some very sophisticated equipment, and doesn't let the lot out unless those pieces pass those tests.

Various departments of Service are:

- **Maintenance** department. Bills the production department for labour and equipment consumed during the maintenance of machinery. Costs are commonly accumulated by individual maintenance job for each machine.
- **Janitorial.** Bills all departments for cleaning services, frequently on a square footage basis.

## 22. Case study reading :

*Although almost every business is unique in its own way, there are some universal lessons that apply to just about any kind of business. In these case studies, we'll take a look at employee performance and retention, supply chain management, growth, ad spending, and more. Although the following are focused on specific businesses, all business students can learn lessons from their triumphs and mistakes. Read on, and you'll find 20 classic case studies you'd do well to know as a business student.*

### 1. WORKPLACE DRUG ABUSE:

Managers hope they'll never have to deal with employee drug abuse, but the fact is that it does

happen. In this case, Amber, an administrative assistant started out well, but began to adopt strange and inconsistent behavior. Her work was maintained pretty well, but she began arriving late and calling in sick often, especially right around the time she got paid. She began borrowing and failing to repay money, and then started showing a short temper on the phone with customers. After being found in the ladies room sniffing white powder, she was confronted about a cocaine problem, and reacted by quitting immediately, leaving a hole in the organization for months before a replacement could be found and replaced. Experts believe the employer's actions were wrong, waiting too long to confront Amber, and focusing on accusations instead of criticizing behavior directly related to work, such as lateness and rudeness to clients. They also point out that Amber should have been sent in for a drug test before being outright accused of using cocaine, opening up the opportunity for rehabilitation instead of a severed tie.

- Drug addiction has become a part of society that many people find cool, but it leads to tragedy in the long run, just as it did in the case above.

## **2. MALDEN MILLS:**

Sometimes, doing the right thing is more important than profits, a lesson that Malden Mills learned firsthand. When the factory burned down in 1995 just two weeks before Christmas, production halted and employees assumed they'd be out of work until the factory was rebuilt. But CEO Aaron Feuerstein extended the employees 90 days at full pay, as well as 180 days with benefits at a cost of \$25 million to Malden Mills. After the factory was rebuilt and all of the displaced workers were rehired, cooperation and productivity reached a new high, with 40% more business, 95% customer and employee retention, and a production increase from 130,000 to 200,000 yards per week. However, since then, Malden Mills has been to bankruptcy court three times, with much of the debt tied to the rebuild of the factory. Feuerstein made employees happy, to be sure, but business students should study this case to consider whether bold philanthropic actions will pay off in the end.

- The issue here was that the workers were overpaid, as should have been after the debt was paid; employees were satisfied, but earnings were never used to cover the debt, resulting in bankruptcy.

## **3. A STARBUCKS ON EVERY CORNER:**

In 2008, Starbucks announced that they would be closing 600 US stores. Up to that point,

Starbucks stores had added new offerings, including wi-fi and music for sale, but started to lose its warm "neighbourhood store" feeling in favour of a chain store persona. Harvard Business Review points out that in this situation, "Starbucks is a mass brand attempting to command a premium price for an experience that is no longer special." Meaning, in order to keep up, Starbucks would either have to cut prices, or cut down on stores to restore its brand exclusivity. HBR's case study shares three problems with the growth of Starbucks: alienating early adopters, too broad of an appeal, and superficial growth through new stores and products. Harvard recommends that Starbucks should have stayed private, growing at a controlled pace to maintain its status as a premium brand.

- In the situation at hand, the firm made the error of inflating prices only for the sake of market recognition, resulting in customers refusing to buy its goods and forcing the company to shutter 600 of its stores.

#### **4. SMALL CUSTOMERS, BIG PROFITS:**

Big business is attractive, with huge profits for some. But there's something to be said about small business as well, with lower risk and the potential for creativity. Darren

Robbins of Big D Custom Screen Printing in Austin, TX found success in his business by pursuing customers with orders both large and small. Although Big D started out catering only to large orders, the shop sat idle in between orders, and through effective scheduling and transparent pricing, was able to fill in dead times with smaller orders. Big D found a profit in a market segment that other local screen printers weren't clamoring to fill. Experts believe this was a smart strategy, allowing Big D to spread out risk in their business and offer customized products. But at least one person is critical of the offering, pointing out that the niche has little upside potential, and may hurt the company's efficiency.

- In the pursuit of profit, he took more jobs to fill in the holes of free time, resulting in rushed work and decreased productivity.

#### **5. SUCCESSION PLANNING**

Family businesses typically have the luxury of passing the torch down to children after parents retire, but in some cases, there are no candidates, or the candidates may not be right for the role. This presents a challenge when it's time to find a successor, especially if existing employees have assumed that top level promotions would come from within the family. So the Carlson companies had to put in great effort to find a replacement, looking both internally

and outside of the company, ultimately finding an internal candidate who would work well with the family but also offered plenty of experience as an executive in different industries. According to Beverly Behan of Hay's Group, Carlson should be commended for not only making the right decision in not hiring the heir apparent, but for handling the job search in a calm, effective way.

- This is a modern phenomenon in which children are either uninterested in or unaware of inheriting an operating enterprise. In this situation, a suitable candidate must be hired who will pay the royalties and uphold the company's integrity.

## **6. RETIRING EMPLOYEES, LOST KNOWLEDGE**

Another important retirement issue is one of lost knowledge. What happens when retirees leave the office, taking years of experience and know-how right along with them? Businesses lose all of that knowledge, but according to American Express, it doesn't have to be that way. Through a pilot program, AMEX created a workforce transformation group that would allow retiring participants to gradually give up some of their day to day responsibilities. In return, the employees would spend some of this time mentoring and teaching classes to successors. This resulted in a phased retirement, allowing employees to leave gradually and enjoy more time while still enjoying a portion of their previous salary,

and regular benefits. This also meant that some employees stayed a year or more past traditional retirement age. AMEX believes this program is a success, allowing senior employees to enjoy their last years of work in a reduced capacity, as well as educating the existing workforce for future success. Consultant David DeLong agrees, citing this program as an example of how job handoffs should really work.

- This example demonstrates how a retired candidate can assist the organization by exchanging his expertise and information prior to departing in order to keep the company's workflow at the same level.

## **7. STRATEGIC AD SPENDING**

Advertising costs money, which many businesses find themselves short of these days. But forgoing ad spending in favor of better profits can be a mistake. Experts say that in a slump, one of the best things you can do is adopt or increase your advertising strategy to attract customers. During a recession, this is especially true, as other businesses may be cutting back on their ad spending, making your voice even more prominent to customers. After seven years

of growth, buliding from 30 to 300 locations, Firehouse Subs' growth fizzled, and company leaders realized they had to do something about it. So they returned local advertising fees collected from franchisees, not to put in their pockets, but to take hold of their own local marketing. Sales fell even more, revealing that this was not a good strategy at the time. Instead, Firehouse reclaimed their local marketing fee, and then gave franchisees the option to take part in a new marketing campaign, requiring them to pay double for local marketing, but in return, becoming part of an \$8 million advertising campaign poised for success. Experts commend Firehouse for having the courage to ask franchisees for more money where it was needed, even when times were tough.

- This scenario demonstrates how one false decision can lead to a larger downfall, but if you still take a gamble, it can turn out in your favor.

### **8. TYLENOL'S 1982 SCANDAL**

In 1982, seven people in Chicago died after taking Tylenol due to an unknown suspect lacing the capsules with cyanide after the products reached the shelves. In the immediate aftermath, Tylenol's commanding 37% market share dropped to just 7% nationwide, despite the problem being contained to the Chicago area. Tylenol was not responsible for the tampering of the product, but to maintain the product's reputation, Johnson & Johnson pulled all of the Tylenol from the shelves, absorbing a loss of more than \$100 million dollars. Tylenol was successfully reintroduced with tamper resistant packaging,

discounts, and sales presentations to the medical community. The brand survived due to swift action and effective public relations from Johnson & Johnson.

- This is the perfect way to demonstrate that healthy relationships will contribute to potential gains.

### **9. DAVID VS. GOLIATH:**

It's tough to be the little guy, especially when one of the big guys becomes your direct competition. But at Hangers Cleaners, an offbeat image and good customer service helped them pull through when P&G opened eco-friendly dry cleaners in the same town. Hangers differentiated itself through van delivery service, funny t-shirts and hangers, as well as social networking. The company also spent time connecting with the community by partnering with local businesses and charities. Instead of out-pricing or out-spending P&G, Hangers embraced its personality and adopted a culture of excellent service that customers found



value in. As a result, Hangers has experienced growth while other local dry cleaners have reported flat or declining revenues.

- In this situation, hangers implemented new campaign tactics that were relatable to the general public, resulting in increased sales.

## **10. MARKET EXPANSION THROUGH PARTNERSHIP**

To support new growth, businesses have to expand past their initial customer base, an often daunting task for small businesses. However, partnering with another successful company can help businesses reach a new level. Diagnostic Hybrids, specializing in medical diagnostics, did just that, partnering with Quidel, a market leader in rapid diagnostic tests. This partnership allowed Diagnostic Hybrids to enjoy a larger market presence, as well as take advantage of better research and development resources. Although Diagnostic Hybrids was acquired by Quidel, key elements of the organization remain, with the same company president, and operation as a separate subsidiary.

- Partnership is still a strong choice when two independent businesses have different experiences, which can contribute to greater success, as this example shows.

## **11. TESCO'S INTERNATIONAL EXPANSION**

Tesco's move into Korea offers a classic case study of building market share internationally. The company made some smart moves in their Korean expansion, most notably partnering with Samsung, the leading Korean conglomerate, and embracing the Korean way of life by operating stores as local businesses and community centers. Tesco also made a smart move by employing nearly 100% Koreans on staff, with only 4 British employees out of 23,000. Reports indicate that Tesco's intelligent strategy has won over

shoppers in Seoul, with 25% of Koreans signed up for loyalty cards and sales in the billions, finding success in "crack[ing] the Asian tiger," where competitors such as Carrefour and Wal-Mart have failed.

- In this situation, we can see how working with a local people-friendly organization can help a new business in the country get a head start.

## **12. TRIUMPH IN NICHE EXPORTS**

Another excellent international case study comes from bike manufacturer Triumph, which lost steam in its British home base three decades ago, but found new life by heading overseas.

In 2010, Triumph sold just 7,562 bikes in the UK, but 50,000 worldwide, indicating that an international interest paid off for the company. Triumph's famous factory in Warwickshire closed up shop in 1983, but the Indian factory remained, and these days, the motorcycles have become the country's Harley Davidson. The company struggles to meet demand in India, with a six month waiting list and a new factory being built. India's middle class has embraced the vehicle as an affordable commodity, even giving them as dowries in weddings.

- Targeting a niche where consumers would be interested in goods will dramatically increase revenue, as seen in this example.

### **13. BACKGROUND CHECKS FOR JOB CANDIDATES**

Background checks are an issue faced by many companies, as sensitive information is now more public than ever. OfficeDrop is no exception, as the company scans paper into digital files, including patient records and minister sermons, most of which require trustworthy employees who can handle documents discreetly. Many companies offer quick, superficial checks, but for OfficeDrop owner Prasad Thammineni, more information was required. He found a company that would allow research to delve into a number of different sources and perform a more comprehensive search. Other business owners offered somewhat critical opinions of Thammineni's choice, pointing out that instead of Googling to find a background check company, he should have asked his business network who they were using. They also recommended that he take advantage of free resources, including online searches and checking out social media sites to learn more about job candidates.

- This is an example of why something about a career candidate's history is important, since it can lead to fraud problems.

### **14. EMPLOYEE ENGAGEMENT IN TOUGH TIMES**

When Gamal Aziz stepped in as president of the MGM Grand Hotel & Casino, he didn't just take on a \$400 million spruce up of the hotel, he worked on the employees as well. He

asked rank and file employees to share their insight through a hotel, discovering that there was a disconnect between what was going on at the hotel and the knowledge of staff. He implemented an easy fix, creating short meetings at the start of every shift to inform employees of daily happenings so that staff could offer more to guests, improving customer loyalty, return visits, and spending. Experts laud Aziz for differentiating the MGM grand with top quality service from the employees.

- This case demonstrates how important it is for employees to be aware of what is going on in order to behave appropriately to help the hotel retain its credibility.

### **15. SOCIAL MEDIA SERVES UP CREME BRULEE**

Marketing is key, whether you're a multibillion dollar company, or just a guy with a cart full of creme brulee. But just doing it isn't enough: you have to market effectively. Curtis Kimball, the man behind the Creme Brulee Cart, put Twitter to work for him amassing thousands of followers and growing his business by allowing people to follow the cart through the online service. Kimball engages with customers and develops a personal relationship with followers online, asking for suggestions on flavors and cart locations. Perhaps the most impressive part of this story is the fact that Kimball has no marketing budget (Twitter is a free service), yet enjoys an incredibly popular status and high ratings on Yelp.

- Customer loyalty is the most crucial factor of any industry, and in today's digital world, it's simple for everyone to engage with one another, which can result in a significant shift in revenue.

### **16. OVERREACHING PRODUCTS, SUFFERING SALES**

You can't be everything to everyone, as Hickory Farms found out. A company that started out with holiday gift baskets including sausage, ham, and cheese at one point had an offering of 2,500 different products, sprawling the company and resulting in a loss of favor with customers. Recognizing this issue, Hickory Farms streamlined itself, slashing their number of products from 2,500 to 300 with more modern visuals, descriptions, and other features, including less packaging and more recycled content. The company also overhauled their website, making it easier to shop online. All of this streamlining resulted in a price reduction of 13% that Hickory Farms was able to pass on to their customers. Brand strategist Jennifer Woodberry believes that this was a smart move, making the most of Hickory Farms' trusted name and image with an effective rebranding of offerings.

- We can see from this example how critical productivity is in maintaining profits; otherwise, earnings will suffer and prices will rise.

### **17. MAINTAINING CONSISTENTLY GOOD EMPLOYEES**

It happens all the time: good employees get a promotion, and suddenly, they're not so good anymore. Such is the case for cat shelter Paws Need Families, as Della, a cleaner turned

assistant manager, then manager started arriving late, letting applications sit, and slipped on inoculations, all serious offenses. Instead of confronting Della directly, general meetings were held, and an assistant manager was hired to compensate for Della's shortcomings. Ultimately, Della never cleaned up her act, and was fired. Ken Blanchard, co-author of *The One Minute Manager* believes this situation could have been avoided with frequent meetings and support with a system of review, both of which can identify issues before they become real problems.

- Quick promotion can lead to overconfidence, which can lead to a decrease in job efficiency, as seen in this example.

## **18. RECALL CRISIS MANAGEMENT**

In 2009, Maclaren issued a recall for every stroller it had sold in the US for a decade, which came to 1 million units. The strollers were recalled so that a cover could be installed to prevent amputation of a baby's fingers, which could happen if the baby were to be in the stroller in the wrong spot. As a luxury brand, this incident was damaging even though it was a misuse of the product and not a defect. Experts believe that Maclaren did the right thing in the aftermath of the recall, asking for a fast track recall from the Consumer Product Safety Commission, and got out in front of the recall as it started spreading through the press, saving face and further embracing a mission of child safety.

- We can see from this example that doing the right thing is the best decision, and it can lead to an increase in brand awareness and business credibility.

## **19. DEALING WITH LATE PAYING CLIENTS**

We all hope that clients will pay on time, but the fact is that most businesses have to deal with lateness at some point or another. How you deal with it can make all the difference, and this case study reveals a smart strategy. When a client wrote to check in on the progress of work, a web developer replied that she was hesitant to work quickly for that client because she was still waiting on payments for month-old work. This immediately got the attention of the clients, who contacted her and discovered that their checks were not going to the right address. The problem was solved almost instantaneously, enforcing both leverage and rewarding positive behavior. However, it was risky, and the client criticized her for not sharing a warning before coming to a difficult point.

- This is the most effective way to keep payments back on track simply by lowering productivity, which will lead to shortages and losses, which no organization needs, so they can begin paying on schedule.

## **20. SUPPLY CHAIN DISRUPTION**

In 2000, a fire at the Philips microchip plant affected phone manufacturers Nokia And Ericsson. The companies reacted in different ways, and ultimately, Ericsson did not do well, quitting the mobile phone business and allowing Nokia to win over the European market. While Ericsson had tied up all of its key components in a single source and planned to wait out the problem with the fire, Nokia worked to snatch up spare chips from other plants and suppliers, as well as re-engineered some of their phones to adapt to different chips from new suppliers. It's not hard to imagine what happened after that. Nokia kept trucking along, while Ericsson suffered from months of lost production and sales, allowing the market to be dominated by Nokia. This incident and fallout is a classic lesson in supply chain risk management.

- This is an example of why you can still have a contingency plan and supply such that if anything goes wrong, you will recover easily, as Ericsson discovered the hard way.