

JADAVPUR UNIVERSITY
DEPARTMENT OF PRINTING ENGINEERING INDUSTRIAL MANAGEMENT II CLASS TESTS II

Assignment for Team I (Team comprising of Ram, Deboshree, Somen, Prodyut, Koel, Amlan and Niladri, Team leader: Prodyut Mondal)

Ramakrishna Printer (RP), engaged in commercial printing business, foresees 10% growth opportunity in book export and school stationary from next financial year with respect to earlier years. 50% of business is book export and school stationary. RP has a business head, supported by Manufacturing, Engineering, Procurement, Finance and Marketing managers. Current attributes of business are as follows:

Attribute of business	Year 2004-05	Year 2005-06	Year 2006-07	Year 2007-08
Market Growth (%)	4.0	4.5	5.0	5.5
Market share (%)	40.0	40.0	40.0	40.0
Gross Profit growth (%)	4.0	4.5	5.0	5.5
M/C productivity (%)	40.0	45.0	50.0	55.0
M/C Availability (%)	85.0	85.0	85.0	85.0
Process waste (%)	5.0	5.0	5.0	5.0
RM at store as % of annual value of RM purchased	20.0	18.0	18.0	16.0
Raw material cost as % of sale	40.0	40.0	40.0	40.0
Working capital as % of sale	25.0	25.0	25.0	25.0
Spares purchase as % of sale	2.0	2.0	2.0	2.0
Net manpower growth (%)	0.0	0.0	0.0	0.0
Rejection / return as % of sale	2.0	2.0	2.0	2.0

It has been agreed and decided that, for year 2008-09, there will be two business targets of RP and two functional targets for each manager including business head. **You are required to set specific, measurable, agreed, realistic and time bound targets and their respective weights for 2008-09.**

[Hint: From previously mentioned data, build appropriate business data, make SWOT analysis, and prepare long term and short-term objectives. Align targets with objectives]

Pradyut Mondal (Team I) Roll no- 041054 Industrial Management II Solution of class test II

Project:

Ramakrishna printer whose 50% of business is book export and school stationary foresees to 10% growth opportunity with respect to early years.

Team's recommendation:

10% market growth for book export and school stationary will help the company to achieve an enormous gain in gross profit. Either by changing the attributes of business or by taking some simple and achievable actions improvement can be attained. Profit will increase proportionally with increase in producible quantity, which is further achieved by reducing process waste and rejection as % of sale and by increasing machine productivity and machine availability. The raw material cost can also be reduced by minimizing the process waste and rejection as % of sale.

Strength:

- Machine productivity is reasonably good.
- Favorable access to distribution networks
- Market growth is reasonably good.
- As the profitability is reasonably good, so the funding for investment is available.
- Market share is also high.

Weakness:

- Incapable of reducing process waste, raw material at store as % of value of raw material purchased.
- If the rejection as % of sale increases, gross profit growth would be affected.

Opportunity:

- Satisfied customer willing to offer business
- Maximize machine availability
- Minimizing spares purchased.
- Increasing market share by making a good reputation among customers
- Growth opportunity with minimum marketing effort

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Threat:

- Significant loss of business in case the offer is not accepted.
- Loss of business if rejection as % of sale is not minimized

Business targets:

- Rejection as % of sale should be 0% to maximize the profit growth.
- To increase the market share combined from 40% to 52.6% in yr 2008-09.

Functional Target:

- Gross profit growth should be increased from 6% to 31.5%
- Raw material cost as % of sale should be minimized from 40% to 31.3%

Role of Business Head:

Responsible for all team funds and transactions

Responsible for compiling and maintaining the team's contract book

- It is required to submit a Report for every action.
- Coordinate with manufacturing consultant to assess present and future utility needs.
- Coordinate with consultant to assess scope of work of other consultants.
- Approach appropriate forum to identify consultants for different areas of specialization
- Select consultant, finalize scope of work, deadlines and terms of appointment.
- Check ownership papers and status of statutory commitments.
- Sign contract and get possession.
- Obtain NOC from authorities.
- Identify plant location.
- Hire consultants in Architecture, Building management, Environment, Fire protection, utilities.

Assignment for Team II (Comprising of Debraj, Maktub, Sayan, Rajdeep Mukherjee, Pritha, Rajdip Dey and Anustup, Team leader: Rajdeep Mukherjee)

Debraj Print Products (DPP), engaged in multi-web cold set printing business, is grossly engaged in newspaper, newspaper supplement and technical and telephone directory printing. A single unit DPP has a plant head, supported by Manufacturing, Engineering, Procurement, Finance, HR and Marketing managers. Current plant variables are as follows:

Plant variables	Year 2006-07	Year 2007-08	Year 2008-09	Year 2010-11	Remarks
Market Growth: Directory (%)	5.0	7.5	10.0	15.0	Estimated
Market growth: Newspaper (%)	2.0	2.0	2.0	2.0	Estimated
Market share (%)	40.0	42.5	45.0	50.0	Target
Gross Profit growth (%)	4.0	5.0	5.0	6.5	Estimated
M/C productivity (%)	80.0	80.0	80.0	80.0	Estimated
M/C Availability (%)	85.0	85.0	95.0	85.0	Estimated
Capacity increase capability (%)	0.0	10.0	20%	25%	Estimated

Current plant variables of companies A and B engaged exclusively in newspaper printing and companies C and D engaged exclusively in directory printing business are

Plant variables of year 2005-06	Co A	Co B	Co C	Co D	Remarks
Market share (%)	20.0	10.0	20.0	10.0	Published data
Gross Profit growth (%)	3.0	1.0	4.0	2.0	Published data
M/C productivity (%)	80.0	40.0	80.0	80.0	Published data
M/C Availability (%)	55.0	65.0	55.0	55.0	Published data
Capacity increase in 2 years (%)	50.0	0.0	20.0	20.0	Highest capability

Without questioning estimated data, draw your action plan to attain your target. What would be the roles of the managers to attain the target? [Hint: Analyze SWOT of players in the business, Identify and explain mutual interest in developing strategic partnership]

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Assignment for team 2 Rajdeep Mukherjee 4th year, Printing Engg. Dept Roll no. – 041064

PART---I

SWOT analysis of Debraj Print Products (DPP):

Strength of Debraj Print Products (DPP):

- Market share of DPP is highest.
- DPP is involved in both Newspaper and Directory printing.
- DPP has an edge over others in the market in production facilities.
- Gross profit growth is relatively higher than other competitors.

Weakness of Debraj Print Products (DPP):

- DPP is involved in both Newspaper and Directory printing whereas other competitors are concentrating in only one segment. Hence other competitors get opportunity to take over the market share in individual field.
- Capacity increase capability is nil in the current year.

Opportunity of Debraj Print Products (DPP):

- Company C and company D both having lower market share and having lower machine availability will not be able to siphon the growing market share of directory.
- Capacity increase of DPP should make it possible to cater to the growing demands of Directory.

Threat of Debraj Print Products (DPP):

- Companies A, C, D has been unable to penetrate into the market due to constrained machine availability and yet hold a significant market share.
- Demand of newspaper is stagnant at 2%.
- Capacity increase capability of DPP in four years is 25% whereas capacity increase capability of A, C, D are 50%, 20%, 20% respectively within only two years.

Analysis Table:

Plant variable	DPP	Co A	Co B	Co C	Co D
Market share(%) (2007-08)	40	20	10	20	10
Machine Productivity (%)	80	80	40	80	80
Machine Availability (%)	85	55	65	55	55
Actual Output (%) (2007-08)	68	44	26	44	44
Capacity increase capability (%) in 2 years	10	50	0	20	20
Actual Output (%) (2009-10)	76.8	66	26	52.8	52.8

Business strategy of Debraj Print Products (DPP):

It is clear from estimated data (given in the question) that the market growth of Newspaper is stagnant for the forthcoming 4 years at 2% whereas the market of Directory increases significantly from 5% to 15%. So our focus will be to capture the market of directory without losing the market hold in Newspaper printing.

From the Analysis Table, it is evident that Company A in its full fledged production, if it becomes capable of capturing the market of Newspaper will come dramatically closer to us. But we need not to bother too much since the Newspaper market growth is stagnant. So after discussion we have come to the decision that we can retain our position in Newspaper printing by giving some incentives, improving quality, and offering some sort of customer delight.

After analyzing the chart we concluded that it would be generously good for us if we can show mutual interest in developing mutual partnership with Company C, as in the upcoming years market of Directory will increase vigorously. We have chosen Company C instead of Company D because it will strengthen us as its current market share for Directory is 20% and gross profit growth is also higher.

So our unanimous decision is to retain in Newspaper market by our own and go for strategic partnership with Company C for Directory printing.

PART--2

I took the decisions as "PLANT HEAD."

My responsibilities and Roles are as follows-----

- ✓ Hold discussion individually with each manager on their proposals
- ✓ Coordinate with Marketing Manager on current scenario of the business.
- ✓ Coordinate with Marketing Manager to assess present and future utility need.
- ✓ Approach HR Manager to identify efficient Workers and Employees.
- ✓ Explore the possible sources of external funds to the Finance Manager.
- ✓ Assuring the Manufacturing and Engineering Head on their work to help them.
- ✓ Shortlist alternatives (if any).
- ✓ Exploring the SWOT analysis focusing the gain of the Company.

Giving suggestion to the Procurement Manager how to accompany intime inventory for production.

Assignment for Team III (Comprising of Subhasis, Prosenjit, Tuhin, Pratik, Teetsa, Ranit, Saikat and Moutusi, Team leader: Pratik)

Subhasis Repro system (SRS) a Partnership Company of eight batch mates of Jadavpur University is engaged in Repro business. The partners work in a team with specific accountability of Finance, Marketing, Procurement, Manufacturing, Engineering, Selection & Training, Process Control and General Administration assigned to each one. Areas like Corporate Planning and Business Strategy are discussed and decided jointly

Recently SRS has been offered assured and regular job of gravure cylinder engraving by one of regular customers. The customer urges fast implementation of the project, as they want to stop immediately the unauthorized and spurious printing of packages of their products. For the purpose of immediate implementation, the customer is prepared to provide financial assistance on agreed terms.

While analyzing the proposal the following issues were considered as pertinent:

- Presently SRS makes 25% more business with respect to breakeven point.
- Unlike Repro work, which is, at present, done at the down town in the vicinity of offices of major customers, gravure cylinder manufacturing is allowed outside municipal limits at industrial area, which is about 25 kilometers away from the present place of work.
- Enormous investment and significant recurring expense on affluent treatment cannot be avoided
- Elaborate pilfer-proof security arrangement in storing and movement of digitized / analogue classified information, product and process is mandatory.
- None of the partners have sufficient practical knowledge of cylinder engraving / processing. However, options for acquiring knowledge are hire / employ knowledgeable persons or obtain comprehensive and contemporary training at cost. The partners need to know cylinder manufacturing business
- For the purpose of growth, SRS has a plan to adopt CTP technology
- Expected return from gravure cylinder manufacturing is very high if the latest technology is adopted
- To begin with the Cylinder manufacturing would be a captive unit of present customer, who has assured 50% utilization of plant and machinery, which is enough to break even. The customer would allow SRS to offer services to other customers, except their competitor, provided delivery schedules are not affected.
- In case SRS does not accept the offer, their present repro work with the same customer, which is about 20% of total business, would be discontinued

State and justify SRS'S decision. Draw a corporate plan for setting the long-term goals of SRS. State the role of each partner to implement the goals.

[Hint: Assess SWOT. Quantify available options. Discuss and list down actions. Assign responsibilities]

SUBHASIS REPRO SYSTEM

Pratik Sengupta, Roll No. 041076, Team – III Task – General Administrator

1. GOALS of the company

- To continue to be in the present business and excel In the same business and attain market leadership through customer satisfaction
- To diversify and acquire new business opportunities with the goal of “PROFIT” as well as “WEALTH” maximization.

2. Decision

- Technology is available
- Major finance is also available
- Project implementation period is short, 50% machine utilization is enough to break-even, 100% production can be achieved with 90% utilization (assumed) which should not be a problem
- Up-to date training is also available
- Buy-back period will be short
- Although the Industrial area is at a distance of 25 km, it is assumed that proper infrastructural facilities like transport (Rail, Road), Electricity, Water (Industrial and Drinking) etc. are available. Benefits of excise duty, taxes from government will also be available being a small scale industry in the industrial area.

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Keeping in view the aforesaid positive aspects and long-term company goal, it has been decided to take up this challenging task of setting the new business. It has been decided that Administrative Manager will be the overall leader who will take decisions after consulting other seven partners on a regular basis.

SWOT (Strengths, Weakness, Opportunities and Threats) analysis –

Strengths –

- Eight educated, experienced and committed partners with specific knowledge in their own areas of specification
- Good team work between partners

Weakness-

- No organization structure/hierarchy with a clear number one person
- Lack of knowledge in precision engineering of Cylinder manufacturing

Opportunities-

- Good business prospect with assured customer
- Availability of finance
- Availability of facilities for up to date training
- Opportunity to invest in CTP remains unaffected

Threats –

- Significant loss of business in case the offer is not accepted
- Loss of opportunity to grow

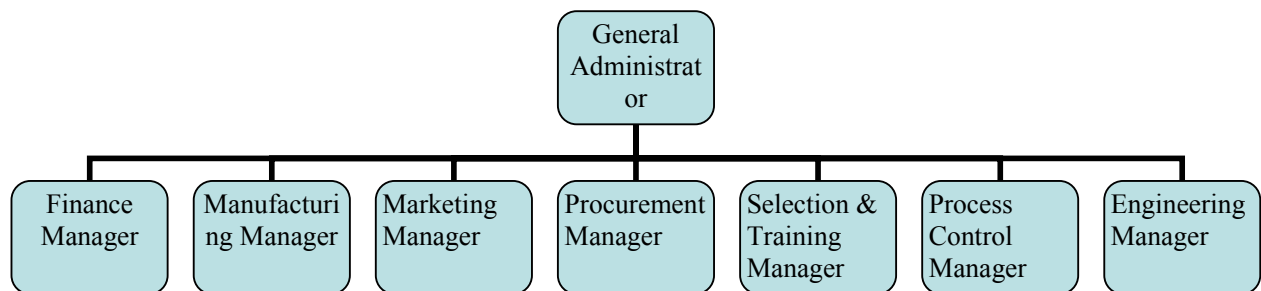
Recommendations:

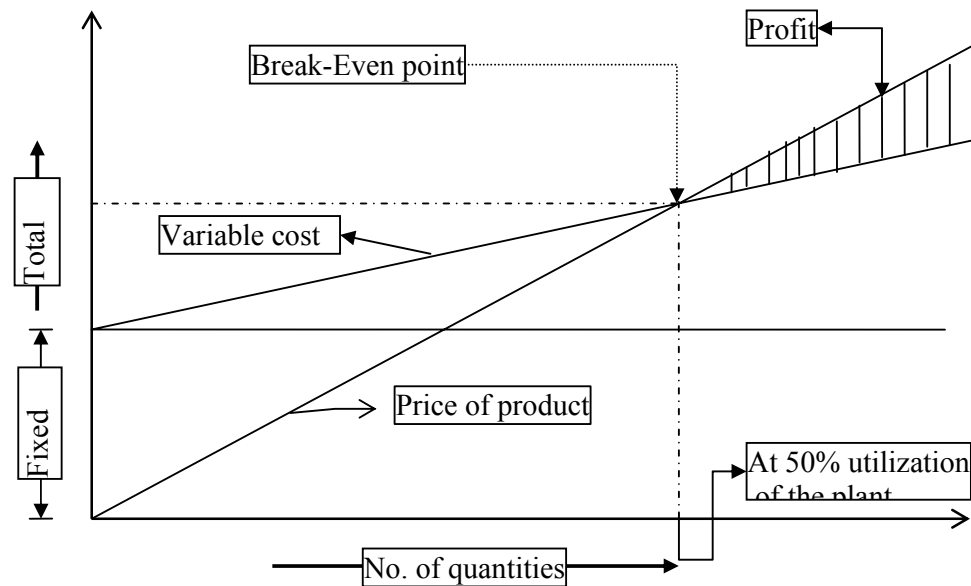
After doing the SWOT Analysis and studying the various pros and cons of the Gravure Cylinder Manufacturing Project and also consulting with all the partners the following recommendations can be given. The Project is to be taken by SRS. The terms and conditions regarding arrangement of funds and utilization of Plant and machinery should be fixed before hand.

Business strategy of Subhasis Repro System (SRS): Justification

- Build Gravure Cylinder mfg facility
- Funding & business support of customer
- Attaining BEP without marketing effort
- Repro business protected
- Modernization plan of repro business (Investment on CTP) is unaffected
- Scope of independent growth
- Eventually shift repro facility to new plant and earn by selling disposable space at down town
- Proposal is outcome of trust of customer

Organization Structure:





Break-even point diagram

Functions of the Administrator:

Hire consultants in Architecture, Building management, Environment, Fire protection, utilities, HVAC:

- 1 Coordinate with gravure cylinder manufacturing consultant to assess present and future utility needs
- 2 Coordinate with gravure cylinder manufacturing consultant to assess scope of work of other consultants
- 3 Approach appropriate forum to identify consultants for different areas of specialization
- 4 Shortlist consultants explain scope of work and invite proposals
- 5 Hold discussion individually with consultants on their proposals in presence of concerned partners
- 6 Select consultant, finalize scope of work, deadlines and terms of appointment

Identify plant location:

- 1 Obtain commissioning deadline
- 2 Obtain restriction on location if any
- 3 Explore the possible sources to obtain plot / built up shed (if suitable and deadline is very close)
- 4 Get acquainted to subsidies available
- 5 Shortlist alternatives
- 6 Get quantified assessment of partners in respect of location, locality, power quality, cost, etc.
- 7 Negotiate with the owner of the location that got highest score
- 8 Check ownership papers and status of statutory commitments
- 9 Sign contract and get possession

Obtain NOC from authorities:

- 1 Get building plan and schematic diagram of process including affluent treatment prepared
- 2 Obtain NOC from local civic body, pollution control board
- 3 Obtain approval of building plan from Factory Directorate, Fire Department, public Health Dept

Select contractors for providing cleaning, security, transport, packing and dispatch, utility operation and maintenance services:

1. Invite application from contractors regarding cleaning and security works.
2. Arrange for packing materials (in consultation with the manufacturing manager), selection of packing staff (in consultation with the selection and training manager).
3. Arrange for necessary storage facility for the raw materials and finished products.
4. Deciding upon the mode of transport
5. Arrange for necessary inward and outward transportation.

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Obtain licenses and registration:

1. Getting necessary information regarding the formalities of obtaining license and registration from the concerned authorities
2. Fulfilling the formalities and applying for license and registration.

Sell disposable space at downtown & retain liaison & marketing office:

1. The disposable space available at the downtown is to be sold
2. The marketing office is to be retained

Co-Ordinate the work among the Heads of the various departments:

Being the Leader of the Partnership firm, the General Administration Manager is charged with the task of co-ordinating the activities of the heads of the departments. For instance the Finance manager may like to know the quantity of raw materials required for computing the capital requirement of the project. In such cases the Gen Admn Manager has to coordinate among the other heads.

It is also possible that some partner may not have a positive approach towards the project due to heavy financial requirements. Here, the Gen Admn Manager has to provide him information regarding procurement of funds in a detailed way, so as to get his confidence in accepting the project.