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**MBA C 402**

**Business Policy and Strategic Management**

**Unit II**

**Objective:** To develop in students a holistic perspective of the enterprise and critical business skills needed to plan and manage strategic activities effectively.

**Unit-II**

Nature & Significance of Strategy and Strategic Management, Strategy V/S Business Tactics and Policy, Strategic Decision Making, Strategic Managers and Their Roles; Phases of Strategic Management, Strategic Intent & Stretch, Strategic Fit; Strategy Crafting, Contemporary Challenges to Strategic Management, Mintzberg's 5ps of Strategy.

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**Unit II****STRATEGIC MANAGEMENT AND BUSINESS POLICY**

**1) Strategic Management** Deals with strategic decisions that decide the long-term health of an enterprise. It is a comprehensive plan of action designed to meet certain specific goals.

**Business Policy** offers guidelines for managers to take appropriate decisions.

**2) Strategic Management** is a means of putting a policy into effect within certain time limits.

**Business Policy** is a general course of action with no defined time limits.

**3) Strategic Management** deals with those decisions which have not been encountered before in quite the same form, for which no predetermined and explicit set or ordered responses exist in the organization and which are important in terms of the resources committed or the precedents set.

**Business Policy** a guide to action in areas of repetitive activity.

**4) Strategic Management** deals with crucial decisions, whose implementation requires constant attention of top management.

**Business Policy** decisions once formulated can be delegated and implemented by others independently.

**5) Strategies** are specific actions suggested to achieve the objectives.

**Policies** are statements or a commonly accepted understanding of decision making.

**6) Strategies** are action oriented.

**Policies** are thought oriented.

7) In case of **Strategic Management**, Everyone is empowered to implement the strategy.

In case of **Policies** Power is delegated to the subordinates for implementation.

8) **Strategies** are means to an end.

**Policies** are guidelines.

9) **Strategy** is concerned with uncertainties, competitive situations, and risks etc that are likely to take place at a future date.

**Policy** is in general concerned with the course of action to fulfil the set objectives.

10) **Strategy** is deployed to mobilize the available resources the best interest of the company.

**Policy** is an overall guide that governs and controls the managerial action.

## **STRATEGIC DECISION MAKING**

### **Strategic Decisions - Definition and Characteristics**

Strategic decisions are the decisions that are concerned with whole environment in which the firm operates the entire resources and the people who form the company and the interface between the two.

### **Characteristics/Features of Strategic Decisions**

Strategic decisions have major resource propositions for an organization. These decisions may be concerned with possessing new resources, organizing others or reallocating others.

Strategic decisions deal with harmonizing organizational resource capabilities with the threats and opportunities.

Strategic decisions deal with the range of organizational activities. It is all about what they want the organization to be like and to be about.

Strategic decisions involve a change of major kind since an organization operates in ever-changing environment.

Strategic decisions are complex in nature.

Strategic decisions are at the top most level, are uncertain as they deal with the future, and involve a lot of risk.

Strategic decisions are different from administrative and operational decisions. Administrative decisions are routine decisions which help or rather facilitate strategic decisions or operational decisions. Operational decisions are technical decisions which help execution of strategic decisions. To reduce cost is a strategic decision which is achieved through operational decision of reducing the number of employees and how we carry out these reductions will be administrative decision.

The differences between Strategic, Administrative and Operational decisions can be summarized as follows-

<b>Strategic Decisions</b>	<b>Administrative Decisions</b>	<b>Operational Decisions</b>
Strategic decisions are long-term decisions.	Administrative decisions are taken daily.	Operational decisions are not frequently taken.
These are considered where The future planning is concerned.	These are short-term based Decisions.	These are medium-period based decisions.
Strategic decisions are taken in Accordance with organizational mission and vision.	These are taken according to strategic and operational Decisions.	These are taken in accordance with strategic and administrative decision.
These are related to overall Counter planning of all Organization.	These are related to working of employees in an Organization.	These are related to production.
These deal with organizational Growth.	These are in welfare of employees working in an organization.	These are related to production and factory growth.

### **Benefits of Strategic Decisions**

There are many benefits of strategic management and they include identification, prioritization, and exploration of opportunities. For instance, newer products, newer markets, and newer forays into business lines are only possible if firms indulge in strategic planning. Next, strategic management allows firms to take an objective view of the activities being done by it and do a cost benefit analysis as to whether the firm is profitable.

Just to differentiate, by this, we do not mean the financial benefits alone (which would be discussed below) but also the assessment of profitability that has to do with evaluating whether the business is strategically aligned to its goals and priorities.

The key point to be noted here is that strategic management allows a firm to orient itself to its market and consumers and ensure that it is actualizing the right strategy.

#### **1. Financial Benefits**

It has been shown in many studies that firms that engage in strategic management are more profitable and successful than those that do not have the benefit of strategic planning and strategic management.

When firms engage in forward looking planning and careful evaluation of their priorities, they have control over the future, which is necessary in the fast changing business landscape of the 21st century.

It has been estimated that more than 100,000 businesses fail in the US every year and most of these failures are to do with a lack of strategic focus and strategic direction. Further, high performing firms tend to make more informed decisions because they have considered both the short term and long-term consequences and hence, have oriented their strategies accordingly. In contrast, firms that do not engage themselves in meaningful strategic planning are often bogged down by internal problems and lack of focus that leads to failure.

## **2. Non-Financial Benefits**

The section above discussed some of the tangible benefits of strategic management. Apart from these benefits, firms that engage in strategic management are more aware of the external threats, an improved understanding of competitor strengths and weaknesses and increased employee productivity. They also have lesser resistance to change and a clear understanding of the link between performance and rewards.

The key aspect of strategic management is that the problem solving and problem preventing capabilities of the firms are enhanced through strategic management. Strategic management is essential as it helps firms to rationalize change and actualize change and communicate the need to change better to its employees. Finally, strategic management helps in bringing order and discipline to the activities of the firm in its both internal processes and external activities.

### **What is a Strategic manager's role?**

A strategic manager plays a crucial role in Strategy Execution. As a manager, you are the principal owner of the Strategy Execution in your department or team. You contribute content; act as the link between organisational levels and between your organisational level and your direct reports, and you serve as a performance role model.

If you don't take the right actions and fulfil your SE role, your company's strategy formulation is merely a paper exercise.

### **Be a Performance Hero**

So, how do you become a successful performance-oriented manager – a performance hero! – instead of simply re-inventing new strategies on pretty PowerPoint slides ... a strategy tourist?

Become convinced of the importance of Strategy Execution, and be committed to get it done. This demands extra effort on your part – most managers find it easier to re-invent a new strategy than to implement one.

Make sure you understand clearly what Strategy Execution is all about and how you can maximise your crucial role in the whole process.

Build your Strategy Execution skills, which are part of your leadership skills. Being a good manager means being good at executing strategy. And you can always improve your skills, whether you're about to be promoted to your first manager position or negotiating for the role of CEO.

Finally, if you play a leading role in your organisation, you need to set up the right processes so that all of the managers in your company can play their part in Strategy Execution. This is a challenge in itself.

If you work for a larger organisation, pay special attention to middle management: this level of management tends to be the most difficult one to get on board.

### **Phases of Strategic Management**

The strategic management process is more than just a set of rules to follow. It is a philosophical approach to business. Upper management must think strategically first, then apply that thought to a process. The strategic management process is best implemented when everyone within the business understands the strategy. The five stages of the process are goal-setting, analysis, strategy formation, strategy implementation and strategy monitoring.

#### **1. Goal-Setting**

The purpose of goal-setting is to clarify the vision for your business. This stage consists of identifying three key facets: First, define both short- and long-term objectives. Second, identify the process of how to accomplish your objective. Finally, customize the

process for your staff, give each person a task with which he can succeed. Keep in mind during this process your goals to be detailed, realistic and match the values of your vision. Typically, the final step in this stage is to write a mission statement that succinctly communicates your goals to both your shareholders and your staff.

## **2. Analysis**

Analysis is a key stage because the information gained in this stage will shape the next two stages. In this stage, gather as much information and data relevant to accomplishing your vision. The focus of the analysis should be on understanding the needs of the business as a sustainable entity, its strategic direction and identifying initiatives that will help your business grow. Examine any external or internal issues that can affect your goals and objectives. Make sure to identify both the strengths and weaknesses of your organization as well as any threats and opportunities that may arise along the path.

## **3. Strategy Formulation**

The first step in forming a strategy is to review the information gleaned from completing the analysis. Determine what resources the business currently has that can help reach the defined goals and objectives. Identify any areas of which the business must seek external resources. The issues facing the company should be prioritized by their importance to your success. Once prioritized, begin formulating the strategy. Because business and economic situations are fluid, it is critical in this stage to develop alternative approaches that target each step of the plan.

## **4. Strategy Implementation**

Successful strategy implementation is critical to the success of the business venture. This is the action stage of the strategic management process. If the overall strategy does not work with the business' current structure, a new structure should be installed at the beginning of this stage. Everyone within the organization must be made clear of their responsibilities and duties, and how that fits in with the overall goal. Additionally, any resources or funding for the venture must be secured at this point. Once the funding is in place and the employees are ready, execute the plan.

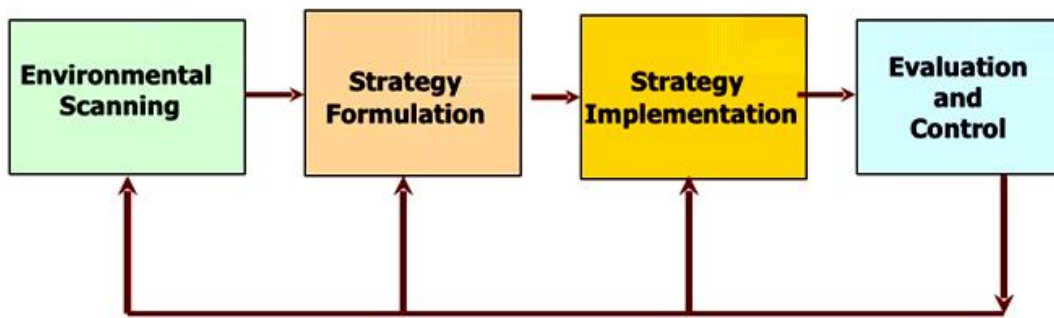


Fig.4: Phases of Strategic Management

## 5. Evaluation and Control

Strategy evaluation and control actions include performance measurements, consistent review of internal and external issues and making corrective actions when necessary. Any successful evaluation of the strategy begins with defining the parameters to be measured. These parameters should mirror the goals set in Stage 1. Determine your progress by measuring the actual results versus the plan. Monitoring internal and external issues will also enable you to react to any substantial change in your business environment. If you determine that the strategy is not moving the company toward its goal, take corrective actions. If those actions are not successful, then repeat the strategic management process. Because internal and external issues are constantly evolving, any data gained in this stage should be retained to help with any future strategies.

### Strategic Intent, Stretch and Fit

Today's business landscape has changed, fundamentally... tomorrow's environment will be different, but none the less—rich in possibilities for those who are prepared—strategic thinking is the new normal.

Strategic thinking is about focusing on higher level business strategies by finding, and subsequently, developing opportunities to create value. It's a way to focus on and understand the fundamental drivers of your business and continuously challenge the conventional thinking about those drivers. Another way to view strategic thinking is brainstorming and applying 'possibility thinking' with the goal of developing a direction and 'strategic' goals; it's a way of thinking that has well-defined, and specific purpose, characteristics. A Wall Street Journal study found that the most sought after executive skill by corporation was strategic thinking, but that few people have that knowledge and



skill set... According to Brian Hill; strategic thinking involves making a series of decisions about the actions the company intends to take to become more successful. At the heart of strategic thinking is the ability to anticipate major shifts in the competitive marketplace, identify emerging opportunities, and dealing also with limited resources; money, people, time... Strategic thinking is a mindset for change and having plans to deal with it... the ability to embrace the total enterprise by; spotting trends, understanding the competitive landscape, visualizing where the business needs to go, and provide leadership into the future. Thinking strategically is about challenging assumptions about the business- why you do what you do— finding and developing unique opportunities to create value, and breakthrough thinking about the future. However, before strategic thinking; first, there must be a strong foundation of critical thinking- understanding the fundamental drivers that affect your organization and rigorously challenge conventional thinking.

**1. Strategic Intent-** is the high-level statement of means by which your organization will achieve its vision. It's a statement of design for creating a desirable future (stated in present terms). According to 'Vadim Kotelnikov'; Strategic intent- simply put, is your company's vision of what it wants to achieve in the long-term: Strategy must be a stretch exercise, not a fit exercise. The strategic intent must convey a significant stretch for the company; sense of direction, discovery, and opportunity that can be communicated as worthwhile to all employees. A strategic intent creates a picture of the customer's daily life and describes discontinuities and anticipated changes from the world of today. It describes future customer's needs and success factors required for meeting these needs. To achieve great things, you need ambitious visions... It does not matter that vision cannot be laid out in details, right now... it's the direction that counts.

**2. Strategic Fit-** is the degree to which an organization is matching its resources and capabilities with its opportunities. The matching takes place through strategy, and it's vital that the company have the actual resources and capabilities to execute and support the strategy. Strategic fit is related to the resource-based view of the firm which suggests that the key to profitability is, not only through positioning and industry selection, but rather through internal focus which seeks to utilize the unique characteristics of the company's resources and capabilities. Strategic fit can also be used

to evaluate specific opportunities; alliances, partnerships, joint ventures, M&A... For example; strategic fit for M&A refers to how well the potential business acquisition fits with the planned strategy of the acquiring company. A survey conducted by 'Bain & Company' showed that 94% of interviewed CEO's considered the strategic fit as vital for the success or failure of an acquisition...

**3. Strategic Alignment-** is the process and result of linking business strategy and objectives with business units, functions, and employees- it's more than just a top down process. Strategic alignment is the positioning of a business function in relation to other functions, such that the arrangement can lead to an optimum relationship between the functions or parts. With strategic alignment, it's possible to improve performance results and gain a competitive advantage. Aligning the organization to external environment requires forethought and proactive actions. Aligning employees' performance to the strategic direction requires leadership and monitoring. Aligning different functions and resources across the organization requires integration and diplomatic handling of personalities on a variety of levels.

**4. Strategic Stretch-** is a goal that cannot be achieved with- what is known, today. Strategic stretch pushes the boundaries of what is assumed to be impossible to strive for... Only when you aim for impossible, something that cannot be achieved with existing practices, is there pressure to come up with radical new ideas, instead of just work harder. According to 'Frank Buytendijk'; strategic stretch is very much like working with an elastic band. If you only pull it from one side, the other side will move in the same direction. You can only stretch it if you pull from both sides. And the harder you pull in multiple directions at the same time, the more space you create, which is the objective of strategic management. The metaphor of elastic band is very appropriate because it implies that you can't stop pulling, otherwise it goes back to its neutral position. It's the same with strategy; you need to keep working on creating strategic stretch, otherwise, the organization will fall back to average results.

In the article "From Fit to Stretch: Strategy & Structure for Results in Organizations" by Bruce Elkin writes: Long-term success comes from consistency of effort generated by focused and shared intent throughout the organization: Strategic intent is not just wild

ambition. According to 'Gary Hamel'; 'strategic intent encompasses an active management process that includes: Focusing the organization's attention on the essence of winning; motivating people by communicating the value of the target; leaving room for individual and team contributions; sustaining enthusiasm by providing new operational definitions as circumstances change; and using 'intent' consistently to guide resource allocation.' Once strategic intent is established resources can be leveraged by focusing them on key goals, acquiring them efficiently, combining one with another to add value, carefully conserving them, and recycling them in the shortest possible time. Hamel is not alone in thinking strategic planning has failed because companies trim ambition to match available resources. 'Peter Senge', talking about the importance of maintaining visionary goals, says '... the dynamics of eroding goals... lies at the heart of the demise... of many U.S. manufacturing industries....' Companies who trim ambition find themselves at the mercy of circumstances, and without leverage. Senge draws heavily on the work of 'Robert Fritz' who has developed an approach to creating high-level results that bears a remarkable similarity to strategic intent, which Senge says 'forms the cornerstone to help leaders and managers deal productively with complexity and change.'

In the article "Strategy as Stretch and Leverage" by G. Hamel and CK Prahalad write: Global competition is not just product-versus-product or company-versus-company. It's mindset-versus-mindset. Driven to understand the dynamics of competition, we have learned a lot about what makes one company more successful than another. But to find the 'root of competitiveness'— to understand why some companies create new forms of competitive advantage, while others watch and follow— we must look at the strategic mindsets. For many managers, being strategic means pursuing opportunities that fit the company's resources. This approach is not wrong, but it obscures an approach in which 'stretch' supplements 'fit', which means creating chasm between ambition and resource... and where leverage complements the strategic allocation of resources. Managers at competitive companies can get a bigger-bang-for-the-buck in five basic ways: Concentrate resources around strategic goals; accumulate resources more efficiently; complement one kind of resource with another; conserve resources whenever they can; and recover resources from the market-place as quickly as possible...

In the article "Stretch– How Great Companies Grow in Good Times and Bad" by Graeme Deans writes: Only a few companies in the world are able to stretch their business and capabilities along several dimensions simultaneously to achieve growth... Most business build their growth strategy based on solid; operations, organization, and strategic growth initiatives, however, there are places in business where a stretch growth idea might take root. For example, you can look at your product offerings to see if you have opportunities to stretch your customer base, your customer service levels, or level of convenience and customization you provide. You might stretch your value chain or business model, your geographic reach, or your partnership and risk-sharing approach to improve growth. You might stretch the way you go-to-market through your distribution channel strategy, or branding. You might look to new technologies to stretch your entire company. Or, you might try to stretch in several directions at once and find the ideal combination of growth

ideas that will boost your company to the next level of performance. The path to getting there isn't flashy or quick, but with flawless execution and unwavering focus, sustainable, superior growth is a goal that any company can reach.

Traditional strategic development is a process that involves auditing a business' current markets, competitors, resources... followed by strategic formulation and implementation. However, 'Hamel and Prahalad' proposed a broader view of strategic formulation, called strategic intent, focusing instead on; business capabilities, collaboration, and innovation to achieve revolutionary improvement. According to 'Gadi Ben-Yehuda'; organizational decisions in companies that employ strategic intent differ from traditional strategy planning methods: They communicate a supportable goal, establish criterion to measure progress, and create active management processes. For example; Toyota's hoshin kanri system has successfully incorporated the strategic intent principles. According to 'Eton Lawrence'; strategic thinking ... is not only critical to the survival of the organization in these times of rapid and accelerating change, but more importantly, can be effectively accommodated within a progressive strategy-making regime to support strategic planning ... strategic planning and strategic thinking work in tandem, rather than when strategic planning impedes the flourishing of strategic thinking. As 'Jeanne Liedtka' suggests; strategic thinking is about disrupting alignment

to create a view of a preferred future, while strategic planning is about creating alignment and dealing with current realities. As 'Loizos Heracleous' suggests; the purpose of strategic thinking is to discover novel, imaginative strategies which can re-write the rules of the competitive game; and to envision potential futures, significantly different from the present. Bottom line: The goal for strategic thinking is to develop strategies that align an organization's future direction (or vision) with the future environment to gain competitive advantage.

### **MINTZBERG'S 5Ps of STRATEGY**

The 5 Ps:

1. Plan
2. Ploy
3. Pattern
4. Position
5. Perspective

By explicating and using five definitions, we may be able to remove some of the confusion, and thereby enrich our ability to understand and manage the processes by which strategies form -

The field of strategic management cannot afford to rely on a single definition of strategy. The word has been used implicitly in different ways even if it has traditionally been defined formally in only one. This article presents five definitions of strategy and considers some of their interrelationships.

#### **1. Strategy as Plan:**

Strategy as a plan is the most common definition of strategy. It implies that strategies are made in advance and that they are developed consciously and purposefully. That definition can be related to military definitions, game theory, management and the dictionary.

#### **2. Strategy as Ploy:**

Strategy can also be a ploy – for example used to threaten, send signals into the market, to bargain or to outwit an opponent or competitor. Porter has covered some of those ploys and devoted chapters in his books to: market signals, competitive moves and defensive strategies.

#### **3. Strategy as Pattern:**

Defining strategy as a plan is not enough. Strategy needs to be realized and made into a pattern. Strategy is consistency in behaviour, whether or not intended. People form strategies with their actions. Consistency or pattern in a stream of actions creates a strategy.

Points out the relationship between: Intended strategy, Deliberate Strategy, Emergent Strategy, Unrealized Strategy and Realized Strategy.

So many things can actually happen and change from the stage where a strategy is formalized and until the point the strategy is realized.

But what do we form strategies about?

According to the author it can basically be about anything. Most commonly referred to usage of resources but also products and processes, customers and citizens, social responsibilities and self-interest.

#### **4. Strategy as Position:**

Strategy can also be a means of locating the organization in the competitive environment. In that way the strategy becomes a link or a mediating force between the organization and the environment. Strategy as a position does not address the competitive environment. It can be a head-on competition of two players or it can be a player in the market. The position can also be about avoiding or keeping the competition away (Blue ocean).

The strategy could also be pursued to promote cooperation between organizations, even would-be competitors. These collaborations range from informal arrangements to joint ventures and mergers.

#### **5. Strategy as Perspective:**

Strategy viewed as an ingrained way of perceiving the world, a common and shared company perspective. Strategy in this respect is to the organization what personality is to the individual. That could be the character of the organization.

The definition suggests that strategy is a concept. Every strategy is invented and exists only in the minds of interested parties that pursue them. A collective mind – Individuals united by common thinking and/or behaviour. A major issue is therefore how to read the collective mind and understand how intentions diffuse through the system.

## 1. MMES-Case

### Case learning objectives

- Understanding the concept of ETOP, SWOT and other Environmental scanning techniques.
- Understanding concept of corporate strategies.
- Analyzing factors that contribute to the success and failures corporate Strategies

## Case Study: MMES Limited<sup>1</sup>

It was five in the evening on February 17, 2015 Mr. Pandey, CEO, Maheshwar Management & Enterprise Services Ltd (MMES Ltd) noted: “We are undecided whether to get into manufacturing. If we get into manufacturing, it will be RCC toilets or LEDs or both or nothing. We have no knowledge in any of these businesses. Heart says we can do it but mind is speaking something else. Till now our business was virtual but now that tangible part will come in, which sounds scary. I have always backed my instincts. I believe that once we enter something we have to make it work. What we do best is to handle knowledge workers. We believed in the ability of our employees. My heart is again saying “Yeh dil mange more!”<sup>2</sup>

The same morning he had read the headlines in *The Economic Times*<sup>3</sup>, which said - ‘Swachh Bharat Abhiyaan<sup>4</sup>: Government builds 7.1 lakh toilets in January’ (Exhibit 1). He also remembered the January 5, 2015 news - ‘Modi govt's push for energy conservation: PM launches scheme for LED bulb distribution’ (Exhibit 2). The company, with its headquarters in Varanasi India, was a growing business concern in the service industry. MMES’ board comprised its founders Mr. Ajay Pandey and his close friend Mr. Shasank.

MMES Ltd under the leadership of Mr. Pandey had ventured into at least two new businesses every year, for the last four years. “Way 2 Plesk” and “Way 2 Hosting” were started in 2010, “Express Naukri” and “Way 2 My Jobs” in 2011, “SMS Express”, “Way 2 Ritz SMS” and “Way 2 Connections” in 2012, “Way 2 My Market”, “Way 2 My Business” in 2013 and “Mega Shopping” and “Way 2 My Shopping” in 2014. He was planning the same for the next financial year also. The emphasis of the newly formed Government in India towards Energy Conservation and *Swachh Bharat Abhiyaan* had caught the mind of Mr. Pandey and was planning to venture into a related manufacturing business.

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Prepared by Dr. Zia Ul Haq, Dr. Ashutosh Mishra, Ashutosh Shukla, Ujjal Mukherjee, for classroom discussions on Strategic Management.

<sup>2</sup> “Yeh Dil Maange More!” is an [advertising slogan](#) coined for [Pepsi](#) in 1998. It combines [Hindi](#) ( an Indian language) and [English](#), and literally meaning “This Heart Desires More”, which later became a popular slogan.

<sup>3</sup>“The Economic Times” is an English language, [Indian](#) daily newspaper published by the [Bennett, Coleman & Co. Ltd](#). It was first published in 1961. *The Economic Times* is headquartered in [Mumbai](#) at [The Times of India](#) building. Its main content is based on the [Indian economy](#), international finance, share prices, prices of commodities as well as other matters related to finance.

<sup>4</sup>[Mahatma Gandhi](#) communicated a message to the nation through his efforts to educate people around him about cleanliness. He wished to see a "Clean India" where people work hand in hand to make the country clean. To work seriously towards this vision of Mahatma Gandhi, [Prime Minister Shri Narendra Modi](#) launched the ‘[Swachh Bharat Abhiyaan](#)’ (SBA) on October 2, 2014 and requested people from all walks of life to help in successful implementation this mission. It is also known as “ Swachh Bharat Mission” (SBM).

He noted: "After all the ups and downs that I went through in the last five years in the service industry, I have somewhat started understanding the nerves of this industry. The questions that are disturbing me now are, whether MMES has the resources to go ahead with manufacturing and is it the right time to get into manufacturing".

## **MMES LTD –INTRODUCTION**

**MMES Ltd** was a Corporate<sup>5</sup>, established in India as Maheshwar Management & Enterprise Services Ltd (MMES Ltd) under Company Act 1956 in 2010. MMES Ltd was dedicated to the cause of Social, Educational, and Entrepreneurial development.

The company was providing training, counseling and various other kinds of services in fields such as Consultancy, IT Solution provider, Legal Consultancy, Export / Import, Engineering & Management Education through IT & Management Institutions, Security / Self-defense Training, Aviation Training, Merchant Navy, Research & Development, Real Estate, Job Portal etc. It also provided consultancy to invest money wisely or establish a business for them in the field of Education, BPO, ITES, Finance, Real Estate, Retail, Supply Chain, etc. The vision of the company was to create a diversified business house & mission was to add value at every stage of the business chain. In this pursuit, the founders launched their business with their Consulting Office Chain established in Varanasi, Delhi, and Pune & Ahmedabad under the auspices of MMES Ltd.

As a part of its corporate strategy, MMES followed a strong idea of launching minimum two unique projects every financial year and for that strategy team of MMES planned well in advance.

### *Background*

Mr. Ajay Pandey was a Science Graduate and Masters in Computer Applications. He started his career in 1992 as a Faculty in one of the colleges at Varanasi. He rose to the level of Head of the Department and Principal before he started his own business. He also used to run a small school in the outskirts of Varanasi, which he said was a "philanthropic<sup>6</sup> service" to the society.

During his career as a faculty, he noticed an opportunity in career counseling as a prospective business. Mr. Pandey noted: "I had a clear business roadmap in my mind; I wanted to start with an admission consultancy and then venture into the job consultancy services in course of time. I had good relationships with a large number of decision makers in different management, medical, paramedical and engineering colleges. I was also aware of the fee and the cost structure of running these courses".

In 2004, Mr. Pandey resigned from his job and started a Sole Proprietorship business of admission and placement named J.B Consultancy. He quoted "I knew I will face several hurdles, but I still don't know why I was so sure of my success. There were a large number of consultancies and individuals doing similar business. I had nobody to help me as nobody in my family showed interest in my business but that pressure to perform kept me wide awake. I had no formal degree in business, which worried me at times".

Mr. Pandey now wanted to expand his business. He quoted: "I had a dream of turning my admission consultancy into a "One Stop Solution" for students. So after the initial success of my first assignment, I started putting together my planning for the Job Consultancy, as planned earlier. I wanted to leverage my previous contacts in corporate which I had developed during my stint with the college where I had worked. These contacts developed as I was heading the placement cell in the college. I was in continuous touch with a large number of human resource managers in and around the city and maintained a personal contact with them beyond the professional relationship. I was also in touch with the alumnus of the college, as they were working in good positions in the industry".

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<sup>5</sup> A corporation is a company or group of people authorized to act as a single entity (legally a person) and recognized as such in law.

<sup>6</sup> Philanthropy means "love of humanity" in the sense of caring, nourishing and developing.



MMES Ltd was incorporated in 2010 as a Private Limited Company in Varanasi, the primary business being “Job Consultancy” with a paid up capital of 1 lakh. The initial business was started with just setting up a small office with two full-time employees, a receptionist, and an accounts manager, who would support Mr. Pandey in achieving an initial breakthrough through “word of mouth” promotion. By March 2011, the closed final accounts revealed a whopping turnover of 38 lakh rupees.

Pandey recalled: “I was very ambitious, always looking around for opportunities. In this period I tried my hand into a few more businesses which didn’t work out so I decided to move out of those. This was the period when the *Yeh dil mange more!* attitude in me started developing. I spent more and more time networking and developing contact.”

In May 2011, the company expanded into the business consulting. It started providing consultancy in a range of services while setting up the headquarters at Varanasi, Uttar Pradesh. The company was providing legal consultation to firms for setting up new units and assistance in licensing procurements. After the initial success, MMES started expanding its wings and moved into different businesses. All the new SBU’s<sup>7</sup> catered consultancy service in import-export, aviation training, real estate and merchant navy. The idea behind the business mix was the interrelation and cross-selling delivery functions between admission, teaching and job consultancy services.

The Pandey noted: “The growth was tough. In those days, it was very difficult to get a bank loan. There were innumerable competitors in the market in every business I touched. Apart from these external challenges, I had to contend with internal family issues. They were not happy with my *Yeh Dil Mange More!* attitude. Resolving family conflicts took quite a bit of my time and energy. But I am glad I did not lose focus and kept moving forward.”

Besides this, MMES started offering web solutions in the form of domain registration, Web Hosting. Web Based Software and Enterprise Applications were catered through their Brand ‘Way2Hosting’. MMES limited also started offering Human Capital Resource Solutions in the form of Resume Writing Services, Job Portal, VNA Training through another Brand named “Express Naukri”. “Express Naukri” is another sub-business unit (SBU) of MMES Limited with the motive of public interest and reliable services to individuals and corporate enterprise, offering round the clock services with full technical support. (Exhibit 10–List of SBU’s)

## **GROWTH PLANS**

In 2015, Mr. Pandey wanted to get into manufacturing as he understood the underlying opportunity in the “Make in India”<sup>8</sup> initiative of the government. In manufacturing, MMES had two options, LED lights or/and RCC toilets. Both the industries were showing growth and had tremendous potential in the last few years, thanks to the “Energy Conservation” and “*Swachh Bharat Abhiyaan*” initiatives of the government. He along with his planning team, were evaluating the possibilities in the two businesses.

## **LED BUSINESS**

### *Introduction*

Light emitting diode (LED) lighting was fast replacing many conventional technologies such as incandescent, HID<sup>9</sup>, and fluorescent lighting. LEDs’ exceptional energy efficiency (40 to 60 percent more than conventional lighting technologies), low maintenance costs, and eco-friendliness had popularized them among outdoor and indoor lighting applications. “The Government of India has been making efforts to boost energy-efficient lighting technologies by choosing to adopt LEDs for street lighting in key cities and for architectural lighting for national monuments,” said a popular research firm. The Bureau of

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<sup>7</sup> Strategic Business Unit (SBU) is a [profit center](#) which focuses on product offering and market segment. SBUs typically have a discrete marketing plan, analysis of competition, and [marketing](#) campaign, even though they may be part of a larger business entity.

<sup>8</sup> Make in India is an initiative program of the [Government of India](#) to encourage companies to manufacture their products in [India](#). It was launched by [Prime Minister Narendra Modi](#) on 25 September 2014.

<sup>9</sup> High-intensity discharge lamps (HID lamps) are a type of [electrical gas-discharge lamp](#) which produces light by means of an electric arc between tungsten electrodes housed inside a translucent or transparent [fused quartz](#) or fused alumina arc tube.

Energy Efficiency<sup>10</sup> (BEE) and the Ministry of New and Renewable Energy<sup>11</sup> (MNRE) had also driven schemes such as distribution of Solar LED lanterns in villages to promote energy-efficient lighting. As LEDs were the tiniest light sources available (Exhibit 5- Different types of Household LEDs), they could be custom designed for the application they serve. For example, LED strips could be used in signage as well as luminaries for indoor as well as street lighting, while miniature LED flashes could also be used in cell phones. This flexibility helped in lighting companies produced more lighting designs with LEDs as compared to any other lighting technology. Street lighting and outdoor lighting applications provided a flood of opportunities for LED lighting due to its quicker return of investment (ROI).

Furthermore, LEDs had a lower total ownership cost as compared to competing lighting technologies and a longer lifetime of 40,000 to 50,000 hours. "LED manufacturers will need to position their products and create awareness about the value of their products," noted one analyst. This was particularly significant because of the price premium that LED lighting products demand upfront and also to showcase the quality of LED products in a market where standards were yet to be defined. LEDs did not add to heat increase in a room because no matter how long they remain on, they do not get heated. Also, because they were more than 90% efficient than incandescent, and last 10 times longer than CFLs, so the frequency of changing bulbs were greatly reduced.

### *Market*

This industry was primarily driven by factors such as falling prices of LED lights, increasing initiatives taken by the government and rising concerns with respect to energy conservation. LED market in India was driven by the increasing government initiatives. The revenue generated by LED market in India displayed a CAGR<sup>12</sup> of 56.1% over the past five years. The market had evolved over the years, with South India and North India driving the growth. However, low awareness with respect to LED lights continued to deter consumers from using LED lights.

The major players in the LED industry were Philips, Osram, Bajaj, Havells and Syska LED lights among others. Philips held the largest share in terms of revenue generated in FY'2014. Philips was followed by Havells. Syska LED lights was the third largest<sup>13</sup>.

Quite a few facilities for manufacturing and assembling LED lights had sprung up in India over the past few years. Some LED exhibitions were also been held in the country ever since the advent of LED lights. The government also played an important role in increasing the LED penetration in the country with its new initiatives.

The LED bulbs were sold in the open market through the electrical shops as well as the grocery shops. Since the LED lights were costly, the grocery shop owners were not receptive to selling LEDs as they say that customers were price sensitive, and they prefer buying bulbs, and rarely customers ask for LED's ( Exhibit -7 - Comparison between different kinds of lighting bulbs in households). So they kept one or two pieces in stocks. Therefore the sales were not very high from grocery shops. The manufacturers depended on the electrical shops for sales. But there again, the price sensitivity was an issue. The profit margins for the manufacturers as well as the retailers increased with the wattage of the bulbs, and it varied between

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<sup>10</sup> The government of India set up Bureau of Energy Efficiency (BEE) to assist in developing policies and strategies with a thrust on self regulation and market principles, within the overall framework of the Energy Conservation Act,2001 with the primary objective of reducing energy intensity of the Indian economy.

<sup>11</sup> The Ministry of New and Renewable Energy is the Nodal ministry for all matters relating to new and renewable energy. The broad aim of the ministry is to develop and deploy new and renewable energy for supplementing the energy requirement of the country.

<sup>12</sup> The compound annual growth rate (CAGR) isn't a true return rate, but rather a representative figure. It is essentially an imaginary number that describes the rate at which an investment would have grown if it had grown at a steady rate.

<sup>13</sup> Ken Research 2014

15% to 50%, higher the wattage higher the margins. The manufacturers could also bid for the government tenders especially for the public schools and public toilets.

India's LED market was forecast to reach \$1457.8 million by 2019, at a CAGR of 35.9 percent, during the period 2014-2019. Government initiatives to replace incandescent bulbs with LED bulbs, the increased energy demand – supply gap, and declined prices were the factors driving the growth of LED lighting in India. Street light applications accounted for most of the market revenues in the Indian LED lighting market. A survey done in 2013-14 by a renowned Electronics Consultant found that consumers preferred the known brand/popular names over the unknown labels available in India. The unknown or smaller labels were yet to make their mark in the lighting segment. The survey listed the popular names in the consumer market<sup>14</sup>. (Exhibit 3-Top Ten LED Brands in India).

### *Manufacturing*

Initial investment to get a semi-automated assembly line manufacturing unit was approximately 15 lakhs. A semi-automated plant typically required 15-18 workers. The working capital in this business was high since some of the parts are imported. The space needed to set up a semi-automated plant was around 25000 sq. ft. An ROI could be achieved in two to three years in outdoor applications, whereas, in indoor applications, the ROI takes four to five years.

## **RCC TOILET BUSINESS**

### *Introduction*

RCC (reinforced cement concrete<sup>15</sup>) toilets were prefabricated toilet panels. Each toilet was a 6 to 7 feet high cubicle and had prefabricated concrete panels, with reinforcements that were interlocking. The toilet pan was attached to a soak pit that was 4 feet deep, and 4.5 X 4.5 feet wide and at times perforated cylindrical drums fitted underground. The roof of the toilet was also a prefabricated panel. The joints imbibed between the toilets were filled in by PCC<sup>16</sup>, although the internal plastering is optional. The total cost of per unit with soak pit was nearly 40 per cent less as compared to stone/brick masonry/conventional construction. To further reduce the cost, the doors were made out of the tin. In addition to being low-cost, these pre-cast (RCC) units were user-friendly and easy to handle. However as compared to the conventional construction works; these panels could easily be transported in an auto rickshaw to the respective village. The development of the precast RCC unit could be completed within five hours as against 5 – 6 days in a conventional method; time spent by the beneficiary was minimal and as it was a folding unit it can be reallocated anywhere, or even after installing it could be disassembled and reinstalled.

All the panels required to construct the toilet were made in factories in machines which used molds. After the pieces were ready, they were sent to the shops or directly to the construction site. If it was an order from the retailer then the pieces were sent to the shop and if the factory had received direct orders from the client then it was sent to the site directly. For direct orders from clients, the factory also sent laborers for the assembly of the pieces. Four to six laborers are required to do the assembly of a toilet. The labor charges were billed separately by the factory. These laborers were not permanent workers of the factory but were called from nearby areas when the factory got the orders. One of the workers from the factory, trained in the toilet assembly used to accompany these laborers to the site.

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<sup>15</sup> Reinforced Cement Concrete is a combination of concrete and steel to build a structure instead of using only concrete. Concrete is good in resisting compression but is very weak in resisting tension. On the other hand, steel has high tensile strength and the bond between steel and concrete is good. To overcome the drawback of Concrete, reinforced steel bars are used along with concrete.

<sup>16</sup> **Plain Cement Concrete (PCC)** is a construction material generally used as a binding materials and is composed of cement, and other materials such as fly ash and slag cement.

The transportation of the pieces is generally done on carts<sup>17</sup> or trucks depending upon the size of the order. One set of RCC toilet can easily be transported in a cart. Then the vehicle is unloaded by the laborers who are also responsible for assembling the toilet in the site. The assembling process takes around 5 hours and is ready to use. (Exhibit 6– RCC Toilet Assembly Process)

### *Market*

According to Census 2011, of the 1210 million Indians, 833 million lived in rural areas while 377 million stayed in urban areas. India's urban population was 377 million or 31% of the total population. These numbers were expected to increase to 600 million by 2031. The Census 2011 also showed that 60% of the rural population did not have access to toilets. Out of the 4,041 statutory towns, close to eight million households did not have access to toilets and defecate in the open (7.90 million).

This RCC toilet manufacturing business was highly disorganized. The Market of RCC toilets used to be rural markets (Exhibit 4) but in recent times due to the flexibility that these toilets provide, it had intruded into the semi-urban and urban areas in India. The price per unit of toilet to the customer varies between Rs 8000-25000. The price depended on the type the type of door , width of the cement panels etc. The RCC toilets were sold in the open market through the hardware shops. A minimum stock was kept in this shop so that the supply can be made immediately. For bulk orders, the retailer gets in touch with the manufacturers to negotiate the cost and the lead time. The profit margin for the manufacturer was around 30%, depending upon the size of the order. The payment terms varies, small retailers (who stock 1 or 2 pieces) make the payments after the sale of the product. Larger retailers generally make a 30%-50% down payment and the remaining amount is paid in installments within the next two to six months.

The manufacturers also bids for the government tenders especially for the public schools and toilets. There are also orders from the local panchayats<sup>18</sup> to install public toilets in the villages. In government orders, the margins come down to around 15%.

In India, most of the suppliers are based in the western part particularly in states like Rajasthan and Gujarat. The competition is growing as the cost of machinery is coming down, and more and more players are entering the market. There are a few suppliers in the other parts of the country. There is no established brand. The manufacturers were finding ways to reduce costs mainly by working out on different combinations of the raw material mix that they used to make the panels. Some manufacturers are also trying to modify the design in order to reduce the cost.

### *Manufacturing*

The manufacturing establishments were generally in the outskirts of cities as the space required for the machine and maintain the stocks are very high. The space required to start a unit is around 50000 sq feet. Initial investment to start a unit was around 30-40 lakhs depending upon the number of semi-automated machines (MSME plans semi automatic) that one installs in the factory. Cost of each machine was around eight lakhs. Real estate cost was not included in the above. A semi-automated machine and ten laborers in the factory could produce as many as 25 units per day. The doors, pipes and the other fitting were bought in wholesale from the open market.

## **OPTIONS**

As the management met for an informal tea during the evening, to discuss this matter, the initial reaction to venture into manufacturing seemed very positive. There were talks about the funding and the expertise, but initial inquiries suggested that it should not present a problem to diversify. Mr. Pandey

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<sup>17</sup> A cart is a vehicle designed for transport, using two wheels and normally pulled by one or a pair of draught animals.

<sup>18</sup>A Panchayat is the cornerstone of a local self-government organization in India at the village or small town level. The members of the Gram panchayat are elected for a period of five years. The Sarpanch, or elected head, has the responsibilities of the village.

noted: “This is one way that I thought that we can grow big. Till now it has always been a nice white shirt when we return home after work but, is it time for us to say “*daag acche hote hain?*”<sup>19</sup>

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<sup>19</sup> “Daag acche hote hain” is an [advertising slogan](#) coined for [Hindustan](#) Unilever’s Surf Excel in 2012. It is in [Hindi](#) ( an Indian language) , and literally meaning “Stains are good” , which later became a popular slogan.

## Exhibit 1

### Swachh Bharat Abhiyaan: Government builds 7.1 lakh toilets in January

Yogima Shama, ET Bureau Feb 17, 2015, 06:49AM IST

**Tags:** World Bank | Swachh Bharat Abhiyaan | senior government official | Prime Minister | Narendra Modi | Modi Government | Indira Awaas Yojana

NEW DELHI: Construction of toilets under Prime Minister Narendra Modi's dream project, Swachh Bharat Abhiyan, has gained momentum with 7.1 lakh individual household toilets being built in January, the highest for any month since the project was launched in October, government data showed.



But, with less than two months left for the fiscal year to close, the government is likely to miss this year's target of constructing 1.2 crore toilets.

According to data, a total of 31.83 lakh toilets have been built between April 2014 and January 2015, which is 25.4% of the target for 2014-15. The programme entails an investment of nearly Rs 2 lakh crore over the next five years to construct 12 crore toilets in India.

#### A Tall Order

This is the highest no. of toilets built in a month since the project was launched in Oct

Until Jan, 31.83 lakh individual household toilets have been built



By achieving 61% of target, Karnataka has been the top performer under the programme

Punjab has been the worst performer, achieving barely 5% of the given target

■ 12 cr toilets are to be built in rural India until Oct 2019

A senior government official, however, told ET that the 'internal target' for the year is 50 lakh and the ministry of drinking water and sanitation is on course to achieve it. "The targets on the website are to push states to do more and more," the official said.

"However, we are confident of achieving the internal target set earlier under the erstwhile Nirmal Bharat Abhiyan, i.e. 50 lakh household toilets for this year and in subsequent years as funds are not a constraint."

In the 12th Five-Year Plan, an outlay of Rs 37,159 crore was set aside for rural sanitation under the Nirmal Bharat Abhiyan, launched by the previous UPA government.

Of this, only Rs 4,724 crore was utilised in the first two years of the plan, leaving the Modi government with Rs 32,435 crore of corpus to spend on the Swachh Bharat Abhiyan, which seeks to make India 'open defecation free' by 2019.

■ This would require an investment of ₹1.96 lakh crore over the next 5 years

To give a boost to the programme, the government has brought it in convergence with the rural housing scheme, Indira Awaas Yojana, and sought financial and technical support from the World Bank, besides asking corporates to undertake the

project as part of their corporate social responsibility initiative.

(Retrieved from: [http://articles.economictimes.indiatimes.com/2015-02-17/news/59232518\\_1\\_india-open-defecation-swachh-bharat-abhiyan-toilets](http://articles.economictimes.indiatimes.com/2015-02-17/news/59232518_1_india-open-defecation-swachh-bharat-abhiyan-toilets). Accessed on : 12 August 2015)

## Exhibit 2

### Modi govt's push for energy conservation: PM launches scheme for LED bulb distribution

ECONOMICTIMES.COM Jan 5, 2015, 02:32PM IST

**Tags:** National Programme for LED | Narendra Modi | Najeeb Jung | CFL

NEW DELHI: Moving towards his government's aim to conserve energy, Prime Minister Narendra Modi on Monday launched a scheme for LED bulb distribution under the domestic efficient lighting programme in Delhi; and a National Programme for LED-based Home and Street Lighting.

PM Modi also symbolically replaced one bulb in South Block, with an LED bulb. Replacement of all bulbs in South Block with LED bulbs will enable savings of 7000 units of energy each month, said a government press release.



Speaking on the occasion, the Prime Minister called for making energy conservation through the spread of LED bulbs, a people's movement. He noted that it is much more economical to conserve power, than to produce power. However, he added, it is much more difficult to conserve power, than to produce power, because while one producing entity can produce a large quantity of power, it requires the active participation of crores of people to conserve that amount of power. Therefore, he called for generating awareness among people for the same. He called for extensive involvement of celebrities and eminent citizens in these programmes, who could motivate people to adopt LED bulbs.

Modi described the LED bulb as a 'Prakash Path' - 'way to light,' as he launched the scheme. The Prime Minister said these programmes also represent a challenge to manufacturers, to rise to the occasion, and produce LED bulbs without any compromise on quality.

Suggesting innovative ways to generate awareness and spread the message of energy efficiency, Modi said gifts such as diaries and calendars on New Year should be replaced by gifts of LEDs. Companies could distribute LED bulbs along with dividend payments, he suggested.

Modi called for setting district level goals, and to prioritize this scheme in all towns with population above one lakh. He said involvement of entrepreneurs, eminent citizens and common people in this programme would represent an act of patriotism - as it would reduce import bills, and an act of social service - as it would save the environment.



PM Narendra Modi seen with Lt. Governor Delhi Najeeb Jung and the MoS for Power, Coal and New and Renewable Energy Piyush Goyal. (PIB)

The initiative is part of the government's efforts to spread the message of energy efficiency in the country. LED bulbs have a very long life, almost 50 times more than ordinary bulbs, and 8-10 times that of CFLs, and therefore provide both energy and cost savings in the medium term.

Modi also launched a web-based system to enable consumers in Delhi to register requests for procuring LED bulbs under Domestic Efficient Lighting Programme (DELP). Consumers can register either through the programme website (eesindia.org/Delhi-Launch) or by sending an SMS to a designated number.

Modi also launched a web-based system to enable consumers in Delhi to register requests for procuring LED bulbs under Domestic Efficient Lighting Programme (DELP). Consumers can register either through the programme website (eesindia.org/Delhi-Launch) or by sending an SMS to a designated number.

LED bulbs shall be distributed in a phased manner from March 2015 onwards. The entire project of installing LED bulbs for domestic and street-lighting in 100 cities is targeted for completion by March 2016.



PM Narendra Modi seen with Lt. Governor Delhi Najeeb Jung and the MoS for Power, Coal and New and Renewable Energy Piyush Goyal. (PIB)

In Delhi, LED bulbs will be provided to all domestic consumers at an initial payment of Rs 10 each and recovery of Rs 10 each for 12 months from their electricity bill. "Hence, the cost for an LED bulb to domestic consumer will be Rs 130 through this programme due to bulk procurement, compared to the current open market retail price in the range of Rs 350-600 for LED bulbs. The estimated annual savings for households in Delhi per LED bulb will be Rs 162. The LED bulbs will have a warranty of 3 years," the press release stated.

(Retrieved from: [http://articles.economictimes.indiatimes.com/2015-01-05/news/57705580\\_1\\_led-bulbs-pm-modi-prime-minister-narendra-modi](http://articles.economictimes.indiatimes.com/2015-01-05/news/57705580_1_led-bulbs-pm-modi-prime-minister-narendra-modi). Accessed on: 12 August 2015)

### Exhibit 3

Top Ten LED Brands in India (In alphabetical order- not ranking)

Srl No	Brands	Company
1	Bajaj	Bajaj Electricals Ltd
2	Fiem	Fiem Industries Ltd
3	GE	General Electric
4	Havells	Havells India Ltd
5	HPL	HPL Electric & Power Pvt Ltd
6	Osram	Osram Opto Semiconductors
7	Pharox	NTL Lemnis India Ltd
8	Philips	Philips India Ltd
9	Surya	Surya Roshni Ltd
10	Syska	SSK Group ( Syska LED)

(Official website :Research and Market , Retrieved from: <http://www.researchandmarkets.com/reports/1382166/>. Accessed on 30 August 2015 )

### Exhibit 4

**A PORTABLE TOILET IS A PRECIOUS GIFT!**  
**THE TIMES OF INDIA, PUNE, MAY 3,2008**



PUNE: What qualifies as the perfect marriage gift? Jewellery, dress, diamonds or a luxurious car? None of the above, feels Savitri Mane, who has decided to give her niece the most 'precious' gift of all — a portable toilet.

Katraj-resident Savitri's niece Raksha is marrying a youth from Bhor this week. When Raksha's parents noticed that the groom's house does not have a toilet, they decided to gift the bride one.

"It has become a trend nowadays to buy portable toilets as gifts. The demand is on the rise this season. Parents, whose daughters are marrying rural youths, have added a portable toilet to their list of gifts offered to the groom," said Ramdas Mane of Mane Industries in Bhosari. His firm has received orders for more than 1,000 toilets in the past few days. "Already, we have provided 2,500 toilets in 200 villages in Pune, Satara and Kolhapur," he said. Many other small firms are in the portable toilet business and share Mane's experience.

"Girls these days refuse to accept a groom whose house does not have a toilet. Even low-income families in city have toilets. But, even some rich families in villages feel that a toilet is unnecessary," said Ramesh Sonawane, who has gifted his daughter one. These toilets cost between Rs 7,000 and Rs 12,000, depending on the quality. These toilets come with readymade RCC walls and a septic tank which could be carried easily. While the tank is ideally placed by digging a hole, it takes hardly two hours to fix the walls.

"Basically, girls from urban areas are not willing to marry into rural families. A girl from the police lines in Pune was married in Sangli and had to suffer a lot because there was no toilet facility," said Pratima Joshi of Shelter Associates. She added that city girls make sure that these basic amenities are available in their in-laws' houses before getting married.

"When my uncle asked about the marriage gift, I suggested a portable toilet. As a new bride I would not be in a position to ask my in-laws to construct a toilet at their place. So, while leaving Pune, I will carry my toilet," said Ekta Tare, who is getting married to a youth from Khatav in Satara.

The government is also taking initiative in providing low-cost toilets. In Satara district, the zilla parishad has developed a model of low-cost toilet. "The response has been good. Even people from Pune have approached us. Many villages have decided that girls from their village will marry only to those boys whose house has toilet facility," said Irshad Bagwan, information and communication officer in Satara.

**( SOURCE : OFFICIAL WEBSITE:THE TIMES OF INDIA.**

Retrieved from: <http://timesofindia.indiatimes.com/city/pune/A-portable-toilet-is-a-precious-gift/articleshow/3006385.cms>. Accessed on: 10 August 2015)

## Exhibit 5

### **Different types of Household LEDs**

**Omni directional LED bulbs-** In this style LED bulb, clusters of LEDs are covered by a lens which spreads the light over a wider area, like standard incandescent bulbs. Available in standard Edison bases, these bulbs are used as area lighting for rooms, porches, reading lamps, accent lamps, hallways and low-light applications where lights remain on for extended periods. Available in 40, 60 75, 100 watt equivalent; clear or frosted.

### **Dimmable Globe LED bulbs**

Designed for bathroom vanities or anywhere a globe bulb is required, these bulbs produce light equivalent to a 40-watt incandescent bulb, yet only consume 10 watts of power. Dimmable from 100% to 10%, these bulbs have a 200 degree beam angle to cast light in a wide area.

### **Track Lighting**

Available in pin base or standard (Edison) base, LEDs are ideal for track lighting.

### **Flood Reflector LEDs for Recessed Cans and Track lights, screw-in base**

LEDs are now available for standard recessed lighting pots and housings. They range from 7.5 to 17watts, with beam widths from PAR20 to PAR38. Several models are dimmable. Also, because they are 90% more efficient than incandescent. And last 10 times longer than CFLs, the frequency of changing bulbs is greatly reduced.

### **Flame Tip, Candelabra Base LEDs**

Designed to replace incandescent candelabra bulbs, these flame tip LEDs deliver the equivalent light of 25 - 35 watt incandescent while only drawing 3.5 watts of electricity. Because of the heat sink in the base, light doesn't disperse downwards as much as a typical incandescent candelabra bulb.

### **LED Tube Lights**

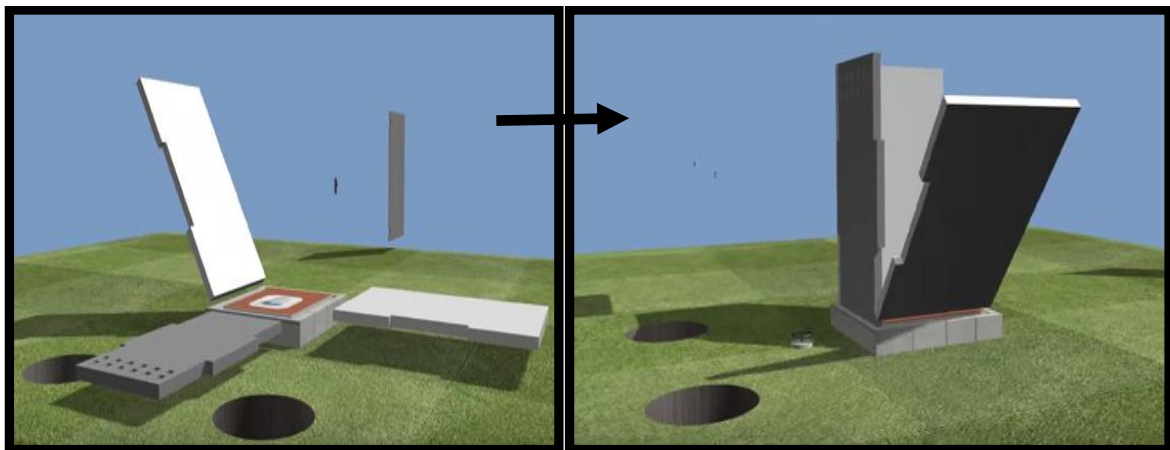
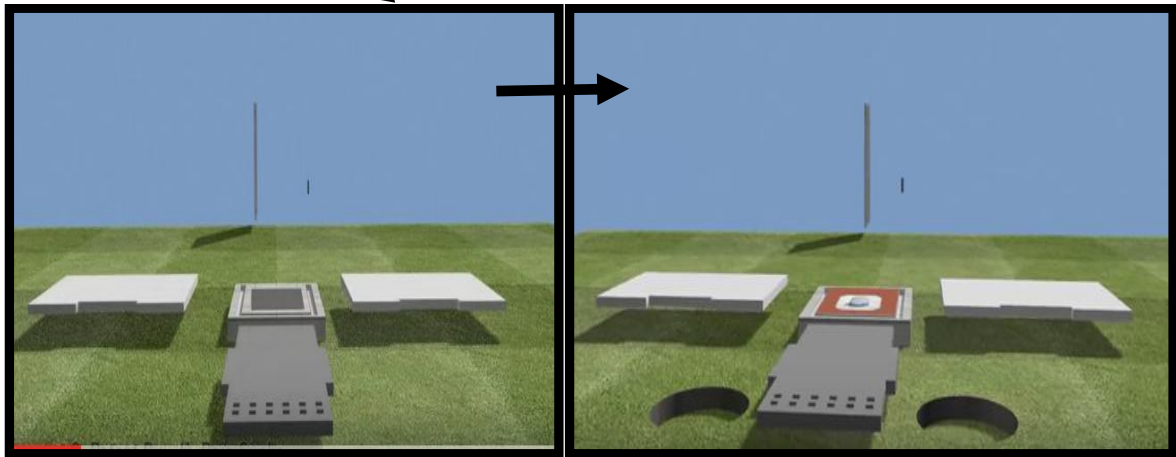
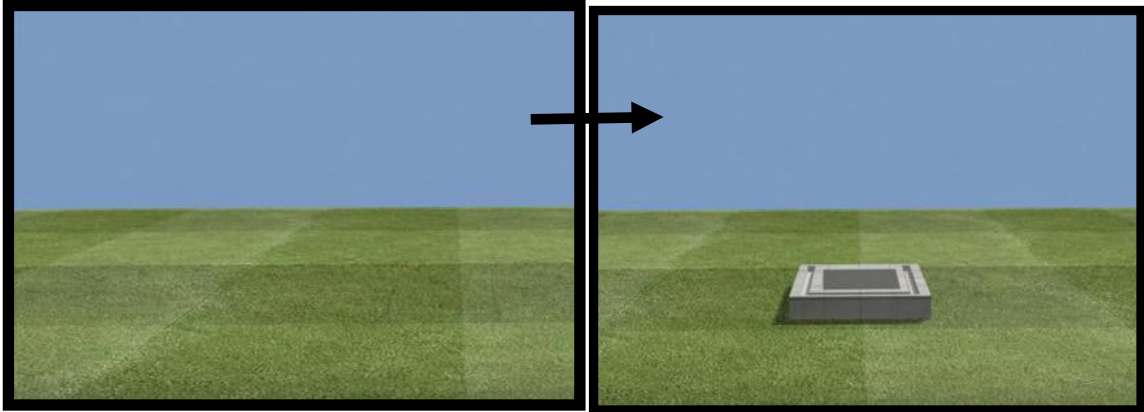
Designed to replace fluorescent tube bulbs, these LED tubes are available in 8 and 16 watts, which replace traditional 25-watt and 40-watt T8/T10/T12 fluorescent tubes. Because fluorescent lights are often installed in high ceilings in commercial sites, there are additional savings because the frequency of changing bulbs is greatly reduced.

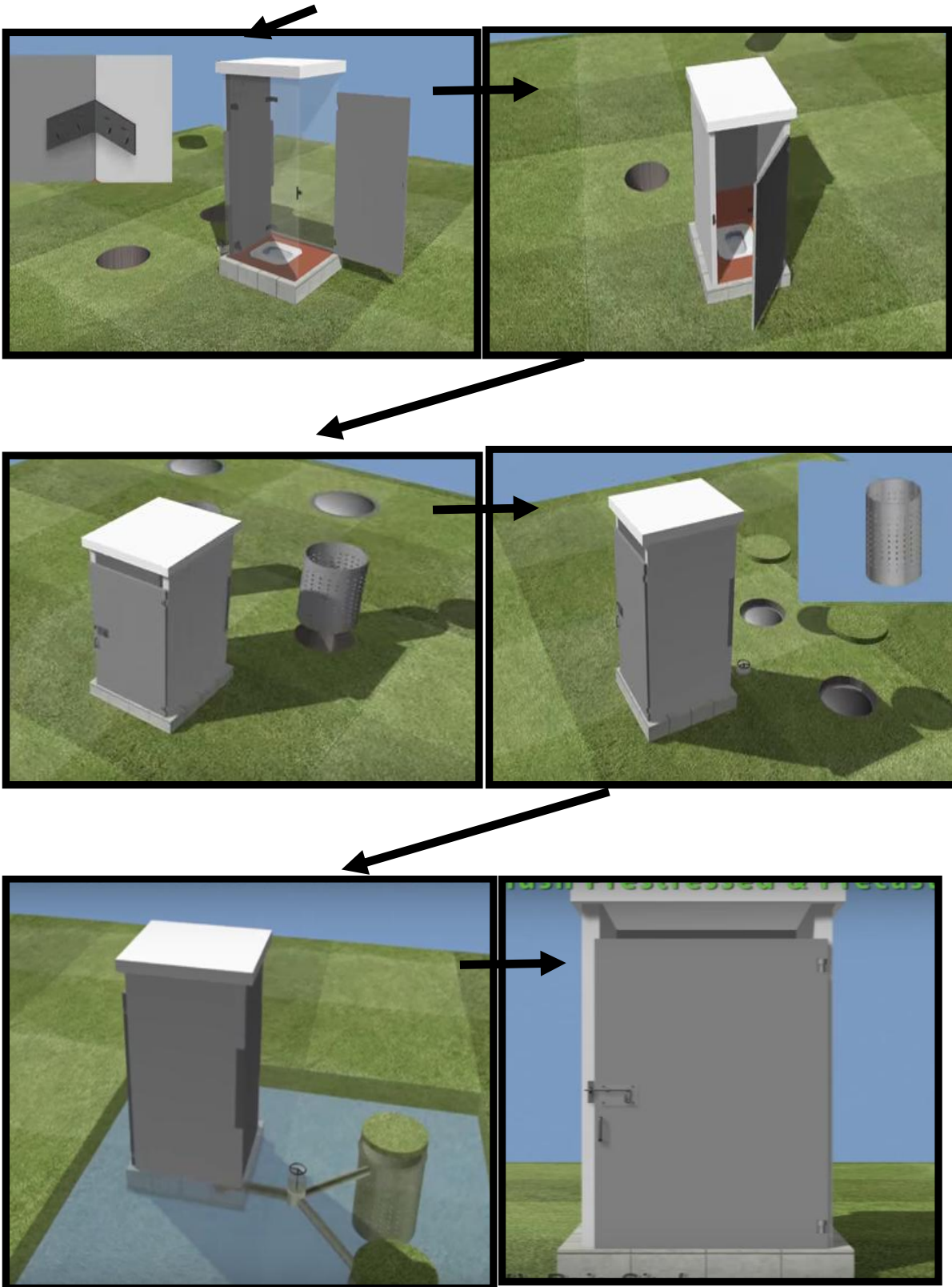
(Source:Website:Eartheasy. Retrieved from the website :

[http://eartheasy.com/live\\_led\\_bulbs\\_comparison.html](http://eartheasy.com/live_led_bulbs_comparison.html), Accessed on 28 August,2015 )

Exhibit 6

RCC Toilet Assembly Process





(Source- Twin Pit pour flush Prestressed and Precast toilet. Concept by - H. Raja Sinha. Retrieved from: <https://www.youtube.com/watch?v=PCoFZN-j6so>-Twin Pit pour flush Prestressed and Precast toilet, "Permission to use" video received on 31 August 2015)

#### Exhibit -7

Comparison between different kinds of lighting bulbs in households

	LED	CFL	Incandescent
Light bulb projected lifespan	50,000 hours	10,000 hours	1,200 hours
Watts per bulb (equiv. 60 watts)	10	14	60
Cost per bulb (providing almost the same amount luminosity)Note- wattage can be different in LED,CFL and Incandescent	400	200	10
KWh of electricity used over 50,000 hours	500	700	3000

( Source – Eartheasy, Retrieved from the website : [http://eartheasy.com/live\\_led\\_bulbs\\_comparison.html](http://eartheasy.com/live_led_bulbs_comparison.html)  
, accessed on 28 August,2015 )

#### Exhibit- 8

##### Financials

Description	As on 31.03.2012	As on 31.03.2013	As on 31.03.2014	As on 31.03.2015
Share Capital	1,00,000	1,00,000	1,00,000	10,00,000
Turnover	11697669	32243498	34409851	139590398.5
Salary Expense	2968000	5514600	6604500	15661800
R&D	875000	4375000	9382800	18805150
Business Promotion	409500	2729664	559230	898740.5
Advertisement	154770	1252650	899150	2998740.5
Profit Margin	12%	17%	19.5%	21.2%

( Source: MMES Ltd. Provided on 10 August 2015 )

#### Exhibit 9

##### Business

Description	As on 31.03.2012	As on 31.03.2013	As on 31.03.2014	As on 31.03.2015
No of SBU	04	07	09	11

<b>No of Offices</b>	02	03	06	12
<b>Business Associates</b>	12	40	98	389
<b>Project Directors</b>	02	04	07	11
<b>No of employees / Workers</b>	08	17	32	46
<b>Senior Alliance Manager</b>	02	04	07	07
<b>No of Clients</b>	350+	1500+	6000+	40000+

( Source: MMES Ltd. Provided on 10 August 2015 )

### Exhibit 10

#### MMES Ltd- List of SBUs

As a part of its Corporate Planning Strategy, MMES has launched several subsidiaries/Sub Business Units under flagship of "**MMES LTD**". MMES LTD has classified all its business in two categories:

1. Premium Segment
2. Mid / Economical Segment

#### Details of Premium Segment SBU:-

**1. Way 2 Hosting:** - Way 2 Hosting is an IT company which deals in Web hosting, domain registration and web designing. As of 31<sup>st</sup> March 2015 Company's client base is 1350+ clients & turnover is INR 6579000/-. "Way2Hosting" is offering Web Solutions in form of Domain Registration, Web Hosting, Web Based Software and Enterprise Applications. <http://www.way2hosting.com>

**2. SMS Express :** SMS Express is a Bulk SMS dealing company which provides Bulk SMS, IVR Codes, Short SMS, Voice SMS etc. As of 31<sup>st</sup> March 2015 company's client base is 3000+ clients & turnover is approx. INR 11,00,000/-. Official website-<http://www.smsexpress.co.in>

**3. Express Naukri:** Express Naukri is a Premium segment mini job portal which caters executive class and premium B Schools candidates. "Express Naukri" is engaged in Human Capital Resource Solutions in form of Resume Writing Services, Job Portal, VNA Training. As of 31<sup>st</sup> March 2015 Company's client base is 2500+ clients & turnover is INR 2505000/- Website- <http://www.expressnaukri.com>

**4. Mega Shopping:** Mega Shopping is a Premium Segment Online Retail Store which caters higher class and premium segment products. As of 31<sup>st</sup> March 2015 company's client base is 1550+ clients & turnover is INR 55,10,000/-. Website: <http://www.megashopping.in>

**5. J B Consultancy:** J B Consultancy is a Premium quality admission & job placement consultancy which caters undergraduates / graduates for admissions & job placements. As of 31<sup>st</sup> March 2015 company's client base is 600+ clients & turnover is INR 30,00,000/-.

**6. J B Legal Consultancy:** J B Legal Consultancy is a Premium quality legal service providing consultancy which caters business class, executives & startups for their legal & business compliance related issues. As of 31<sup>st</sup> March 2015 company's client base is 550+ clients & turnover is INR 40,00,000/-.

#### Details of Mid Segment SBU:-

**1. Way 2 Plesk:** - Way 2 Plesk is an IT company which deals in Web hosting, domain registration and web designing. As of 31<sup>st</sup> March 2015 Company's client base is 7550+ clients & turnover is INR 25079000/- Website- [www.way2plesk.com](http://www.way2plesk.com)

**2. Way 2 Ritz SMS:** - Way 2 Ritz SMS is an IT company which deals in Web hosting, domain registration and web designing. As of 31<sup>st</sup> March 2015 Company's client base is 2500+ clients & turnover is INR 1750000/- <http://www.way2ritzsms.com>

**3. Way 2 My Jobs:** - Way 2 My Jobs is a mini job portal with HR Solutions for fresher's / entry level job opportunities. As of 31<sup>st</sup> March 2015 Company's client base is 5000+ clients & turnover is INR 5519000/- Website- [www.way2myjobs.com](http://www.way2myjobs.com)

**4. Way 2 My Shopping:** - Way 2 My Shopping is mid-range online shopping retail store, which caters mid segment & economy class. As of 31<sup>st</sup> March 2015 company's client base is 23000+ clients (Including Individuals & Corporates) & turnover is INR 3,12,41,500/-. Website- [www.way2myshopping.com](http://www.way2myshopping.com)

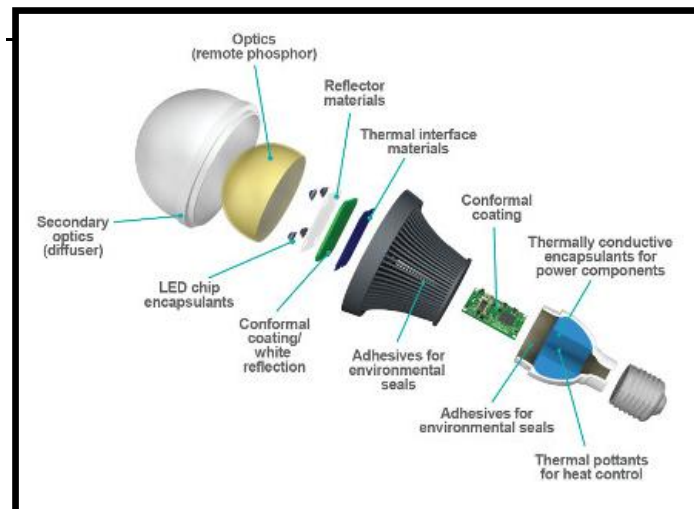
**5. Way 2 My Business:** - Way 2 My Business is a B2B Business Consultancy which helps non performing / sick companies. As of 31<sup>st</sup> March 2015 company's client base is 9000+ clients & turnover is INR 80,00,000/-. Website- [www.way2mybusiness.com](http://www.way2mybusiness.com)

All the 11 projects of MMES LTD are ISO Certified as a Subsidiary unit of main company and company is registered with MSME Department of Government of Uttar Pradesh as well.

(Source: Official website- MMES Ltd. Retrieved from: <http://www.mmesltd.com/>. Accessed on: 10 August 2015)

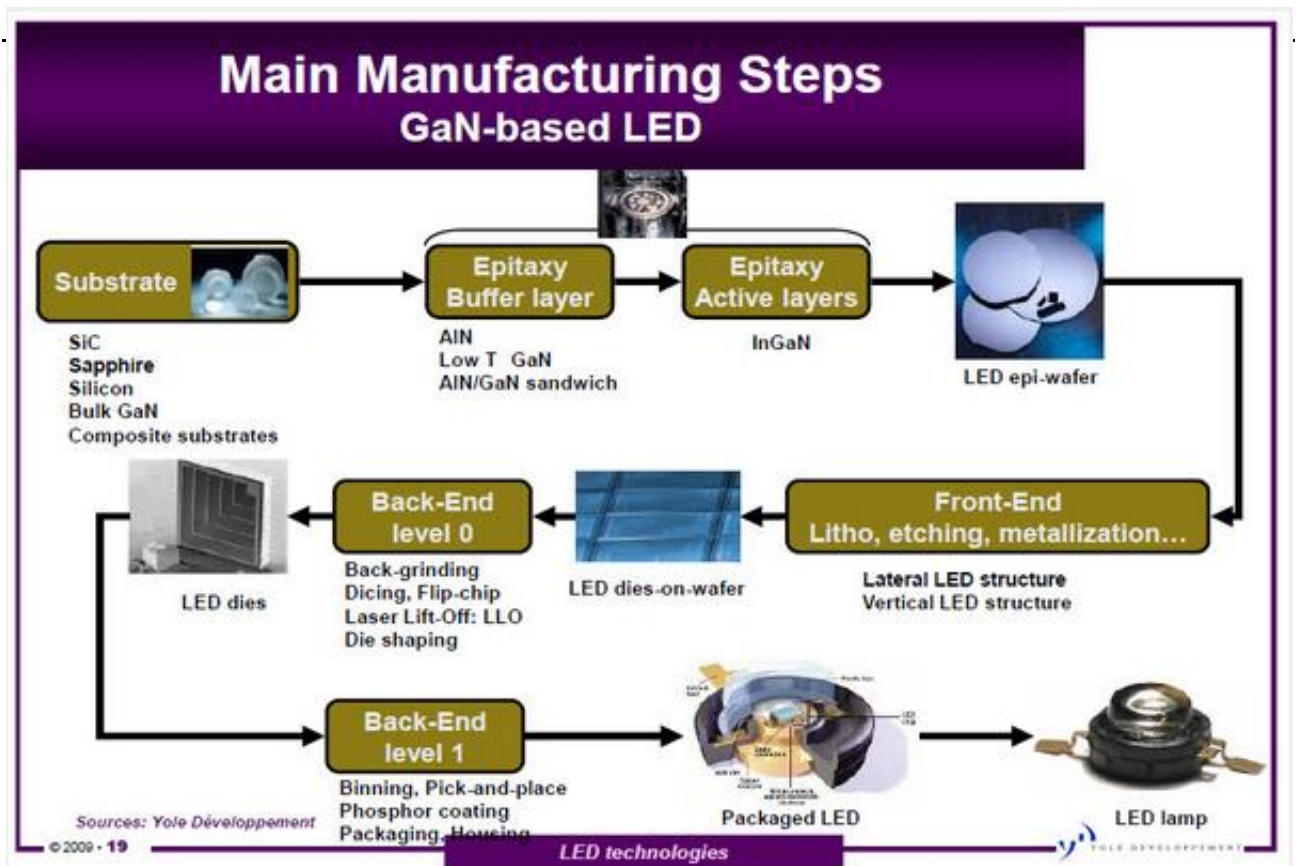
### **Exhibit- 11**

Parts of an LED



(Source- Dow Corning Cookie Policy, Retrieved from - [http://www.dowcorning.com/content/news/Spotlight\\_Silicone\\_Solutions\\_for\\_LED\\_Lighting\\_Design.aspx](http://www.dowcorning.com/content/news/Spotlight_Silicone_Solutions_for_LED_Lighting_Design.aspx). Accessed on 28 August 2015)

### **Exhibit-12**



(Source- WESRCH, Retrieved from -<http://www.wesrch.com/wiki-858-led-front-end-manufacturing-process-steps>, Accessed on 28 August 2015 )

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