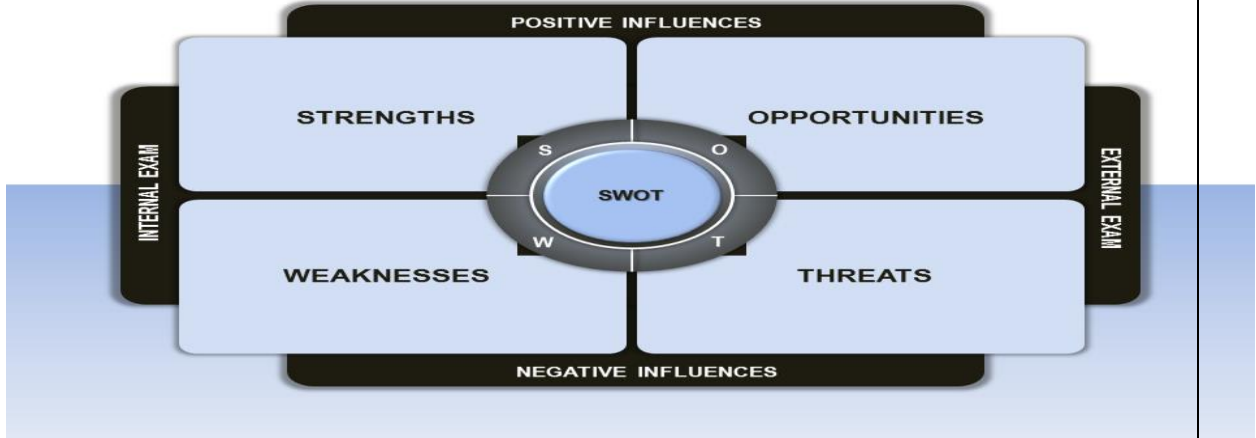


Internal Assessment Test 3 – Jan 2022

Solutions

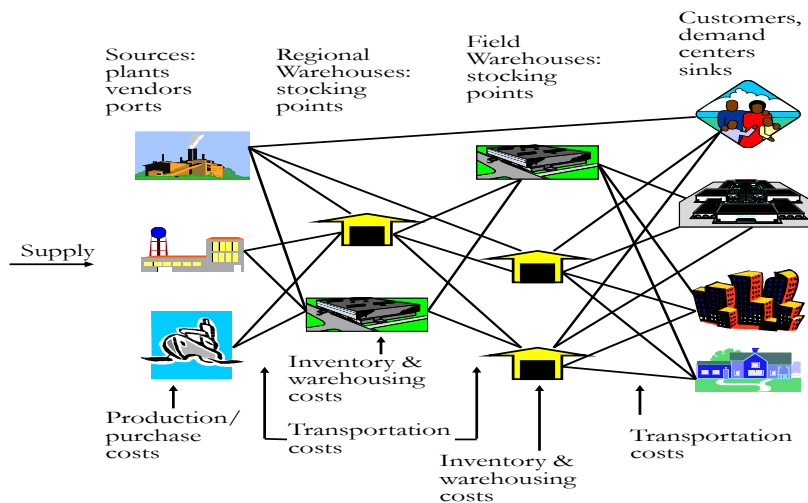
<b>Sub:</b>	MANAGEMENT AND ENTREPRENEURSHIP FOR IT INDUSTRY						<b>Code:</b>	18CS51	
Date	24 <sup>th</sup> Jan	Duration:	90	Max	50	Sem:	V	<b>Branch:</b>	CSE – A,B & C
:	2022		mins	Marks:					

**Note:** Answer any five questions:

1	<p><b>a) What is project selection? Explain factors influencing it.</b>  <u>Project Selection</u></p> <p>Project selection is the process of evaluating individual projects or groups of projects, and then choosing to implement some set of them so that the objectives of the parent organization will be achieved. The proper choice of investment projects is crucial to the long-run survival of every firm. Daily we witness the results of both good and bad investment choices. After deciding on a few Project ideas, the Entrepreneur has to <i>finally</i> select, One Project Idea most suited depending on the following criteria. A tool generally used for this purpose is called as “<i>SWOT</i>” Analysis is done.</p> <div style="text-align: center;">  </div> <p>A few Important Criteria are listed below for project selection process :</p> <p><u>Investment Size</u> :</p> <ul style="list-style-type: none"> <li>▶ This is a very important criterion to decide success or failure of the Project.</li> <li>▶ The Entrepreneur should assess the Economical Size of the Plant &amp; the Total Investment reqd &amp; should assess his Financial Capability to pool in at least about 25 % of the Investment reqd for the Project.</li> <li>▶ Entrepreneur therefore, <i>should select only such Projects which are within his financial resources</i>. You cannot establish an Enterprise only on borrowed funds &amp; this may lead to severe financial problems in the Initial Stages of the Project Implementation itself.</li> </ul> <p><u>Location</u> :</p> <ul style="list-style-type: none"> <li>▶ Location chosen should have Good Infrastructural Facilities like - Good Approach Road Transportation Facilities</li> </ul>	<b>10M</b>
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	<p>Communication Facilities Availability of Power Water &amp; reqd Labor</p> <p><b><u>Technology :</u></b></p> <ul style="list-style-type: none"> <li>▶ The Project chosen should not be for a Product which requires sophisticated technology, necessitating Foreign Technical Collaboration. It is better to go in for a Product with a proven technology that is available &amp; where the Entrepreneur himself is well versed with the reqd technology.</li> </ul> <p><b><u>Plant &amp; Machineries :</u></b></p> <ul style="list-style-type: none"> <li>▶ When deciding on a Project, the Entrepreneur should assess the availability of High Quality Plant &amp; Machineries.</li> <li>▶ As far as possible, a New First Project by the Entrepreneur should not be planned on Imported Plant &amp; Machineries because of the problems &amp; delays invariably associated with Imports.</li> <li>▶ This may lead to Cost Escalation of the Project, &amp; may affect the implementation schedule of the Project.</li> <li>▶ One should remember that one should not compromise on the Quality of the Equipment even if there are little expensive in the beginning , as they will pay back in the Long Run due to uninterrupted working.</li> <li>▶ Cheap Poor Quality equipment leads to frequent breakdowns.</li> </ul> <p><b><u>Marketing :</u></b></p> <ul style="list-style-type: none"> <li>▶ The Success of any Enterprise finally depends on Marketing Capability of ones Goods / Products / Services.</li> <li>▶ It is not advisable to get into a Project <i>particularly the first</i>, which would mean survival amidst Cut Throat Competition involving Direct Selling to a large number of Ultimate Customers. One should go in for Products with a Limited Number of established Industrial Customers.</li> </ul>	
2	<p><b>a) Explain about project formulation process.</b></p> <ul style="list-style-type: none"> <li>• It is a process whereby the entrepreneur makes an objective and assessment of various aspects of an investment proposition of a project idea for determining its total impact and also its liability. Selection of appropriate technology, Influence of External risks Resource mobilization, Knowledge about Government Regulations. Project formulation is the best passport for obtaining the required assistance from financial institutions. It will also be of great assistance for obtaining necessary Government clearances and in meeting the hurdles of procedure formalities. It will pinpoint the matters for which government sanctions have to be obtained. It will provide an independent assessment of the feasibility of obtaining the sanctions based on the existing government policies. General objectives: States in broad terms the achievement expected out of a project. Operational objectives: Specifically mentions the results expected from the implementation of the project.</li> </ul> <p><b>7 STAGES OF PROJECT FORMULATION</b></p> <ul style="list-style-type: none"> <li>▶ <b>Feasibility analysis</b> The project idea is examined whether to go for detailed investment proposal or not. It is done in the context of internal &amp; external constraints. A market analysis is done. If the project idea is feasible, we go for second step or else abandon the idea.</li> <li>▶ <b>Techno-economic analysis-</b> Estimation of project demand potential &amp; choice of optimal technology are made. Market analysis is in-built in this step .This stage gives the project a unique individuality &amp; sets the stage for detailed design development.</li> <li>▶ <b>Project design &amp; network analysis-</b> Heart of the project. Defines individual activities and their inter relationship with each other .The sequence of events of project is presented .Detailed work plan of the project is prepared with time allocation for each activity and presented in a network drawing.</li> </ul>	10M

	<ul style="list-style-type: none"> <li>▶ <b>Input analysis-</b> Assesses the input requirement during the construction &amp; operation of the project. Quantitative &amp; qualitative assessment. Determines project feasibility from the point of view of resource requirements. It helps in financial &amp; cost benefit analysis.</li> <li>▶ <b>Financial analysis-</b> Estimates project cost, operating cost and fund requirements. Aids the decision maker by comparing various project proposals. It is necessary to exercise due care and foresight in financial forecasts.</li> <li>▶ <b>Social cost benefit analysis-</b> Overall worth of the project is the main consideration. The project design forms the basis of evaluation. it considers costs that all entities have to bear and the benefit connected to it.</li> <li>▶ <b>Project appraisal/Pre-investment analysis -</b> The project proposal gets a formal and final shape at this stage. All results obtained in the above steps are consolidated and arrived at various conclusions. Project sponsoring body, implementing body and external consulting agencies decide whether to accept the project or not. Investment decision is taken.</li> </ul> <p><b>b) Define the term project.</b>  <b>Meaning of project-</b> The very foundation of an enterprise is the Project. Hence, the Success or Failure of an enterprise largely depends upon the Project. In Simple Words, a Project is an Idea or a Plan that is <i>intended</i> to be carried out. The dictionary meaning of Project is that it is a Scheme of something intended to be done ; a Proposal for an Undertaking, design, speculative imagination etc.</p>	
3	<p><b>a) Explain about supply chain management.</b></p> <p><b><u>Supply Chain Management</u></b></p> <ul style="list-style-type: none"> <li>• A supply chain is the system of organizations, people, activities, information and resources involved in moving a product or service from supplier to customer.</li> <li>• An integrated group of processes to “source,” “make,” and “deliver” products. Supply chain activities transform raw materials and components into a finished product that is delivered to the end customer.</li> <li>• <b>Supply Chain Management</b> encompasses every effort involved in producing and delivering a final product or service, from the supplier’s supplier to the customer’s customer.</li> <li>• <b>Supply Chain Management</b> includes managing supply and demand, sourcing raw materials and parts, manufacturing and assembly, warehousing and inventory tracking, order entry and order management, distribution across all channels, and delivery to the customer. Supply Chain Management deals with the management of materials, information, and financial flows in a network consisting of suppliers, manufacturers, distributors and customers.</li> <li>• Logistics involves “managing the flow of items, information, cash and ideas through the coordination of supply chain processes and through the strategic addition of place, period and pattern values.</li> </ul>	10M



## Supply Chain Management –

*SCM is all about effective integration of...*

} Right Product



} At Right Place



} Right Quantity



} At Right Time



} Right Quality



} At Right Value



4

### Key Observations of Supply Chain Management

#### ▶ **Integrated activity:**

- \* Among functions such as logistics, manufacturing, distribution, design/engineering, marketing, finance, etc.
- \* Multiple organizations, i.e., suppliers, customers & providers
- \* Coordination of conflicting goals, metrics, etc.

#### ▶ **Responsible for multiple flows:**



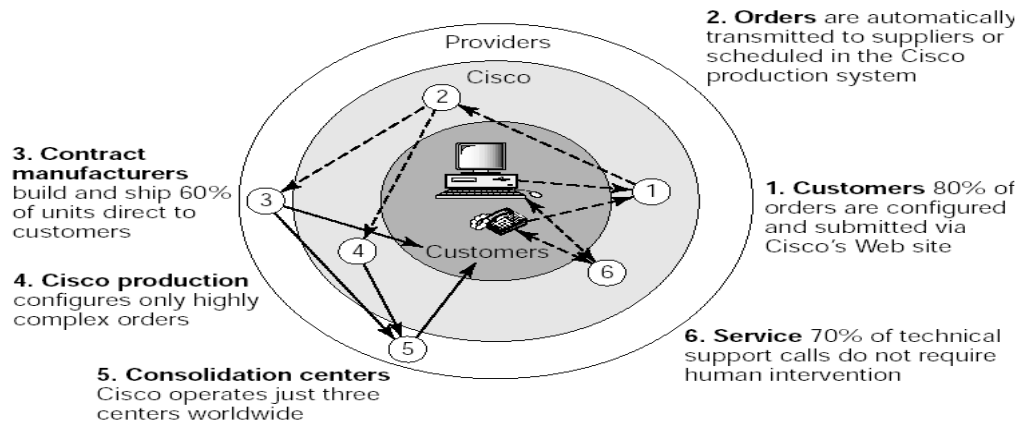
- \* Information (orders, status, contracts)
- \* Physical (finished goods, raw material, w.i.p.)
- \* Financial (payment, credits, etc.)

#### ▶ **Most analysis involves trade-offs**

- \* Across different entities
- \* Across metrics: Cost, Service, Time, Risk, etc.

- ▶ Each interface in the supply chain represents
  - \* Movement of goods
  - \* Information flows
  - \* Transfer of title
  - \* Purchase and sale

## Cisco's Value Network



### Examples of Supply Chains

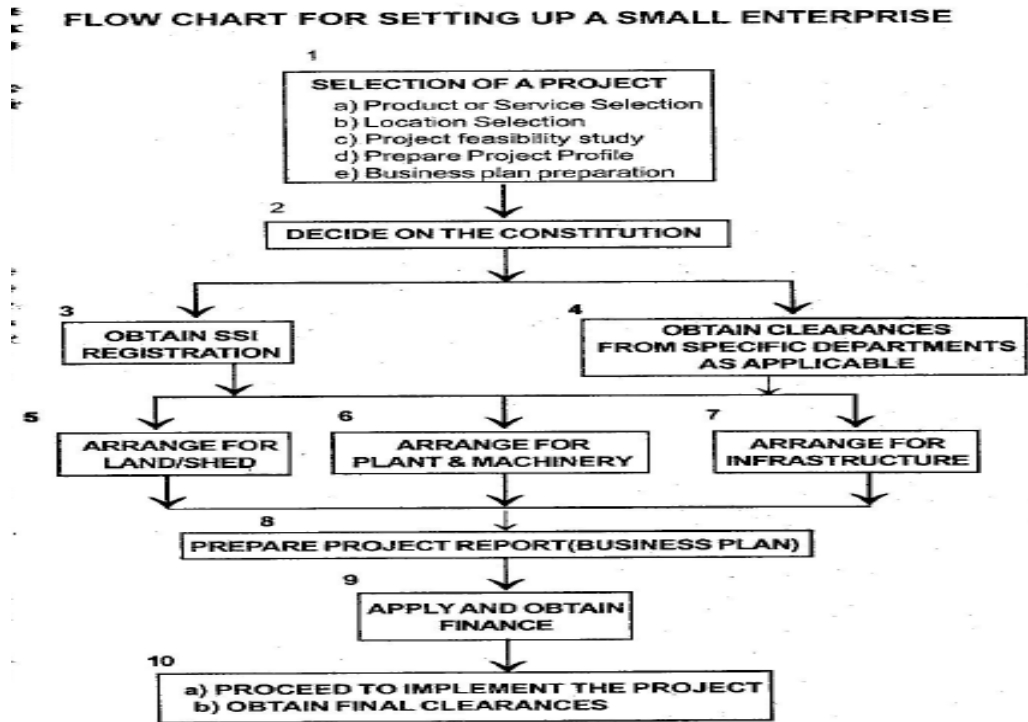
- ▶ Dell / Compaq
- ▶ Toyota / GM / Ford
- ▶ Milk Distribution System of NDDDB
- ▶ Merry-Go-Round System of NTPC
- ▶ Dabbawalas of Mumbai
- ▶ Amazon / Borders / Barnes and Noble

### **b) What is ERP.**

#### Enterprise Resource Planning –ERP

- ▶ The practice of consolidating an enterprise's planning, manufacturing, sales and marketing efforts into one management system.
- ▶ Combines all databases across departments into a single database that can be accessed by all employees.
- ▶ ERP automates the tasks involved in performing a business process.

4	<p><b>a) Explain about the government policies to SSIs during five year plans.</b></p> <p>The Plan Expenditure on Small Enterprises Sector has been continuously increasing. In <b>the First Five Year Plan (1951 – 56)</b>, Rs 48 Crores constituting 47.8 % of the Total Plan Expenditure was spent in Small Scale Sector alone.</p> <p>By the end of <b>First Five Year Plan</b>, there were <i>Six Statutory Boards</i> created to help the Small Scale Sector.</p> <ol style="list-style-type: none"> <li>All India Handloom Board.</li> <li>All India Handicrafts Board.</li> <li>All India Khadi &amp; Village Industries Board.</li> <li>Small Scale Industries Board.</li> <li>Coir Board.</li> <li>Central Silk Board.</li> </ol> <p><b>Second Five Year Plan (1956 – 61)</b> focused on dispersal of Industries to all the regions in the Country. Accordingly, 60 Industrial Estates were established in different regions providing various infrastructural facilities like Power, Water, Transport etc., at one place. The total expenditure was 187 Crores.</p> <p><b>The Third Five Year Plan (1961 – 66)</b> stressed on extension of Coverage of Small Scale Industries. The total expenditure on Small Scale Sector was Rs. 248 Crores.</p> <p><b>The Fourth Five Year Plan (1969 – 73)</b> Small Scale Sector witnessed significant Expansion. By the end of 1973, as many as 346 Industrial Estates had been established &amp; Small Scale Sector provides employment to about 82,700 Persons.</p> <p><b>The Fifth Five Year Plan (1974 – 78)</b> outlay was Rs 611 Crores, whereas the actual expenditure on Small Scale Sector amounted to Rs. 592 Crores.</p> <p>During <b>Sixth Five Year Plan (1980 – 1985)</b>, massive development programs were initiated by the development of most promising Small – Scale Industrial Sector. Expenditure occurred in this Plan was Rs. 1945 Crores exceeding the Outlay of Rs. 1780 Crores</p> <p><b>7th Five Year Plan (1985 – 90)</b> gave a lot of importance for Technology Up gradation to increase Competitiveness of Small Scale Industrial Sector. The actual expenditure during Seventh Plan was Rs. 3249 Crores &amp; exceeded thplan outlay of Rs. 2753 Crores. Due to this, various development programs, theSmall Scale Industrial Sector witnessed significant development in all fronts. Employed increased substantially from 96 Lakh persons to 119.6 Lakh persons during the Seventh Plan period.</p> <p><b>The 8th Five Year Plan (1992 – 1997)</b> gave a lot of stress on Employment generation as the motive force for economic growth. As a result the number of Small Scale Units increased from 13.56 lakh to 18.27 Lakh. The value of AnnuProduction increased to Rs. 91,681 Crores. The total expenditure in Eight Plan Small Scale Sector was Rs. 6334 Crores.</p>	10M
5	<p><b>a) Explain the steps to start SSI.</b></p> <p><b>Project Selection :</b> Entrepreneur is the Most Important person for the Success of a Project. In order to set up a Small Enterprise, the Entrepreneur has to decide or choose a suitable project. The Entrepreneur has also to decide on a suitable location for the project. Based on these selections, a project feasibility study has to be conducted &amp; then a brief project profile has to be prepared for the proposed project.</p>	10M



The Project Selection & the Preliminary Activities involve the following :

Product or Service Selection.

Location Selection.

Project Feasibility Study.

Preparation of Project Profile.

Business Plan Preparation.

Product or Service Selection :

This is the first & most important step in setting up a small enterprise. Because, the further prospects, actions & efforts in setting up the small enterprise & commencing its commercial activities successfully depend on this decision. Therefore, the Entrepreneur has to be very careful in the choice or selection of the Project. The main factors to be considered in deciding a suitable project are as follows :

a) Background & Experience of Entrepreneurs.

Availability of the Right Technology & Know – How for the Project.

Marketability of the Product / Service.

Investment Capacity (i.e., Financial Resources.)

Availability of Plant & Machinery, Indigenous or Imported.

Availability of Raw Materials.

Availability of Proper Infrastructural Facilities Viz., Land / Shed, Power, Water, Communication, Transport etc.

Availability of right kind of Labor Viz., Skilled, Semi – Skilled & Unskilled.

b) Location Selection : After deciding on the Project, the next important decision an Entrepreneur has to make is about the Location of the Project. There are a Few factors associated with the same :

1) Nearness or Proximity to Market.

2) Availability of Raw Materials.

3) Availability of Transformation & Communication Facilities.

4) Availability of Govt Incentives / Concessions.

5) Govt Industrial Policy.

6) Availability of suitable Infrastructural facilities.

- 7) Availability of Labor.
- 8) Convenience for the Entrepreneur's.

c) Project Feasibility Study :

The important facts of Project Feasibility Study are as follows :

1) Market Analysis

- 2) Technical Analysis
- 3) Financial Analysis
- 4) Economic Analysis
- 5) Social Analysis

d) Project Profile : A *Project Profile* generally contains information about the Project under the Following Heads :

- 1) Introduction.
- 2) Promoter(s) Background (Education, Experience).
- 3) Product(s) Service(s) Description (Specification, Uses etc.)
- 4) Market & Marketing.
- 5) Infrastructure needed.
- 6) Plant & Machinery (Description, Capacity, Cost etc.)
- 7) Process Details.
- 8) Raw Materials (Requirements, Specifications, Cost etc.)
- 9) Power, Water & other utilities required.
- 10) Manpower needed (type of Personnel reqd & salaries / wages)
- 11) Cost of the Project & means of finance.
- 12) Cost of Production & Profitability.

e) *Business Plan Preparation* :

This is a Document where the Entrepreneur plans his Business to have an Organized & effective response to a situation which may arise in future. A Business Plan is used to make Crucial Start Up Decisions to reassure Lenders, Investors, to measure Operational Progress ; to Test Planning Assumptions ; to Adjust Forecasts; & to set the standard for good Operational Management.

**2) *Decide on the Constitution* :**

To start any Enterprise, the Promoter's have to decide on the Constitution of the Unit. There are 3 Major Alternatives :

- a) *Proprietary*
- b) *Partnership*
- c) *Company*.

a) *Proprietary Enterprise* :

A Single Individual is the Owner of such an Enterprise.

b) *Partnership Enterprise (Firm)*:

This is an Association of Two or more Persons, subject to a Maximum of 20 Persons. They are governed by the Indian Partnership Act , 1932 & rules framed there under the State Govt. It is advisable to have a Partnership Deed Agreement on Stamp Paper of Appropriate Value.

c) *Company* :

This may be a Private or Public Limited Company. A Private Limited Company can be formed with a minimum of 2 Persons & a Maximum of 50 Persons. A Public Limited Company can be formed with a Minimum of 7 Persons & Maximum number of Persons is unlimited. Company is governed by the Companies Act, 1956. For Registering the Company, one has to approach *Registrar of Companies* of the State.

**3) *Obtaining SSI Registration* :**

Entrepreneurs desiring to start a Small Enterprise have to initially obtain a *PRC*(Provisional Registration Certificate). Once the Unit goes into Production, the *PRC* has to be



converted into a Permanent Registration Certificate (*PMT*).

a) *PRC* : This is the Initial Registration reqd for starting a Micro & Small Enterprise. The Entrepreneur has to apply & obtain a *PRC* after selection of the Project & deciding on the Location of the Unit. This Application is necessary for Infrastructural Facilities such as Land, Shed, Power etc & Finance from the Financial Institutions.

b) Permanent Registration Certificate (*PMT*) :

A Micro or a Small Enterprise can get a Permanent Registration Certificate when it actually commences Commercial Production / Service. *PRC* would be converted to *PMT* when the Unit commences its Commercial Activities.

*PMT Registration will help in several ways like the following :*

To apply for scarce raw materials & for imported raw materials.

To get Working Capital Loan from Banks / Financial Institutions.  
 For Claiming Incentives, Concessions, including Sales Tax Exemption wherever applicable.

To apply for registration under Govt Stores purchase programs / Export Promotion Program & to get Purchase & Price Preference.

**4) Specific Clearances :**

There are a number of Statutory Clearances reqd to start Micro & Small Enterprises.

Some of them are given below :

- a) Agricultural Land Conversion into Non – Agricultural Land (NA Conversion).
- b) Building Plan approved by the Local Authorities.
- c) Factories Act & Labor Dept.
- d) Trade License from the Local Authorities.
- e) Pollution Control Board Clearances.

**5) Land or Shed Selection :**

For Any Industrial Project, Suitable Industrial Site Or A Ready Industrial Shed Is Reqd. The Promoters Of The Unit Could Consider Taking An Industrial Site & Constructing A Shed As Per Their Requirement, Alternatively, Could Consider Taking A Ready Industrial Shed On Ownership Basis Also.

Whom To Approach :

A) KIADB- Karnataka Industrial Areas Development Board For Land.

B) KSSIDC - Karnataka State Small Industries Development Corporation Ltd For Shed Requirement.

C) Alternatively, The Entrepreneur Can Also Approach Directly The Jt. Director , DIC (Department Of Industries And Commerce) In The Particular District Also For Requirement Of Land / Shed For The Proposed Enterprise.

**6) Plant & Machinery :**

This requirement for a Particular Project could be purchased from recognized manufacturer's / dealers. This could also be taken on Hire Basis operated by National Small Industries Corporation Limited (*NSIC*). This is a Govt of India promoted Corporation.

**7) Infrastructure Facilities :**

For Micro or Small Enterprises the main infrastructure facilities are Land or Shed for the Project , Power Connection , Water Supply & Telephone & Internet Facility. As said earlier, for Land or Shed , the Entrepreneur can approach either KIADB or KSSIDC as the case may be. For the requirement of Power, an application may be made to the local electricity company in the region. For Telephone connection & Internet facilities, Entrepreneur has to approach BSNL or other operators.

District level Single Window Agency (*SWA*) assists the Entrepreneur in getting all the above facilities. Hence, the Entrepreneur can forward an Application on a plain paper to the Jt. Director , District Industries Centre of the District giving his requirement of various infrastructural facilities for speedy approval & sanction.

**8) Project Report :**

For any New Project or Enterprise to be set up, Proper Planning is necessary.

A detailed Project Report provides such a plan for the Project. The Report is useful to the Entrepreneur for Planning & Implementing the Project. This is essential for Obtaining Finance & other clearances for the Project. In fact, the Project Report gives a detailed insight of the *Techno – Economic Viability of the Project*. This is generally prepared to cover the following :

**9) Finance :**

Finance for such Projects are under 2 main categories :

- a) Term Loan.
- b) Working Capital Loan.

a) **Term Loan :** For starting a Small Enterprise, Term Loan Finance for the Fixed Assets like Land, Building, Plant & Machinery etc ., can be availed. This Loan can be availed from Karnataka State Financial Corporation (KSFC) & or from the Commercial Banks. Financial Institutions sanction up to 75 % of the Total investment on Fixed Assets & the Balance of 25 % has to be pooled in by the Promoters as Margin Money.

b) *Working Capital Loan :*

It is always preferable to approach Commercial banks for Working Capital Loan. All Commercial Banks finance up to 75 % of the Working Capital Loan & the remaining 25 % has to be pooled in by the Promoters. It is important to note that Banks will release Working Capital Loan only after the Promoters have contributed their share of 25 % .

**10) Implementation of the Project :**

The Entrepreneurs will have to take necessary steps to physically implement the Project after obtaining the various Licenses, Clearances, Infrastructural Facilities etc. Following are the Major Activities that the Entrepreneurs have to undertake for implementing the Project.

- a) Construct Shed
- b) Order for Machinery
- c) Recruit Personnel
- d) Arrange for Raw Materials
- e) Marketing
- f) Obtain Final Clearances

**a) Explain case study on G R Gopinath.**

Mr. Narayana Murthy and Infosys

*A Case Study of Indian Values*

After India abandoned its planned economy in 1991 and embraced global capitalism, many new technology companies sprang up all over the country, especially in the Bangalore area. One of the most successful of these start-up companies was Infosys, an information technology company launched by Mr. Narayana Murthy and six of his friends in 1981 with the support of Mrs. Sudha Murthy. In 2000 Infosys, the first Indian company to be traded on NASDAQ, was worth about U.S. \$27 billion. This case study aims to demonstrate how any Indian may be at once very modern and also draw upon the millennia of his or her rich cultural tradition. As Gandhi did before him, Murthy has original ways of combining features of his Indian legacy.

**About Narayana Murthy**

Narayana Murthy was born in 1946, in Karnataka, India. He acquired a degree in Electrical Engineering from Mysore University, and later studied Computer Science at the Indian Institute of Technology (IIT) in Kanpur.

In 1981, Narayana Murthy founded Infosys Technologies along with six of his friends. None of them had the money to start the company, but luckily his wife Sudha Murthy, who was an engineer with Tata Industries, had saved 10,000 rupees (Rs)--about 250 U.S. dollars--that she donated to start the company.

Since its inception Infosys Technologies developed quickly and has done well not only in the domestic stock markets but also in the international markets. In March 1999, it became the first India-registered company to be listed on an American stock exchange (NASDAQ: INFY). For the year ending March 2000, it earned \$61.3 million on sales of \$203.4 million. During the downturn on the stock market in early 2001, Infosys growth slowed, but the company was still enjoying substantial growth.

In a poll conducted by Asiaweek, Mr. Murthy was selected one of the 50 most powerful people in Asia for 2000. Fifty percent of the respondents in an online poll conducted by The Economic Times voted him the best CEO of India. (Sawhney) As of Jan 8, 2000 when Infosys Technologies' share price crossed the Rs 16,910-mark on the Bombay Stock Exchange, his 7.7 percent holding in the company is valued at Rs 4,306 crore, or just about \$1 billion. Although Mr. Murthy once remarked that being labeled a "national icon" can wreak havoc on your ego, he continues to cling to his roots, staying in a house in the middle class area of Jayanagar in Bangalore with his engineer wife Sudha and their two children, Akshata and Rohan and to draw on insights from his early experiences and from the Indian tradition.

The fifth of eight children, Murthy was born into a modest family. His father worked as a school teacher in Mysore. When asked about the role models that inspired his career, he replied: "Those days our role models were our teachers, both in school and university. They taught us to be inquisitive and articulate. You have to imagine a lower middle class family in a district headquarters in the '60s. My father used to tell us about the importance of putting public good before private good; mother would talk about sacrifice and truth. Beyond the basic values of life they didn't discuss too much about our careers." His uncle was a civil servant and his father was very keen that he take that up as a career but somehow that didn't appeal to him. He took a degree in engineering at a local college and

hoped to become a junior engineer in a hydroelectric power plant, Nehru's temples of modern India. But instead he got his Masters at IIT Kanpur, where "We were introduced to computers – that wonder machine – and I was hooked." Although offered higher paying jobs, he took a job in Ahmedabad because Prof. Krishnayya, who worked at the Indian Institute of Management, told him of "this great, modern mini-computer that he was going to install and that it would be the third business school in the world to install a time-sharing system after Harvard and Stanford. He also said that the atmosphere was collegial, "we'd work 20 hours a day and learn a lot. Taking this job at a salary of Rs 800 a month was the best decision of my life."

When asked the major influences on his quality of leadership, which he rated a 6 on a scale of 10, Murthy replied: "My father ... was a great fan of Western classical music. On Sundays, he used to play music for an hour. One day I asked him: why should I listen to this alien music? He said: What appeals to me is that in a symphony there are over 100 people, each of whom is a maestro, but they come together as a team to play according to a script under this conductor and produce something divine. They prove that one plus one can be more than two. It's a great example of teamwork."

When asked whether he ever had a sense of giving up, he replied "There came a time in 1990 when we were floundering. We had offers to buy us out which my colleagues thought we should consider since we weren't making too much headway. We had a 4-5 hour discussion and I could feel the sense of despondency. So I pulled a fast one. I said guys don't worry, I'll buy you out. I know it's going to be tough in this country but I have no doubt that we'll see light. In minutes, they all said we're with you. From now onwards we will never discuss the issue of closing down, getting tired or giving up. This marathon will be restarted.

"Liberalization brought more companies and more competition, and to ensure that our staff would not leave, Infosys set out to find out why their employees might want to leave us and see if they could create those conditions in Infosys.

"A successful corporation is one that introspects about internal transformation first before blaming the context, competition or external circumstances. We increased our salaries, we introduced a stock option plan so that our people would have much more money than any other Indian company. We also decided to make it a fun place to work because our assets walk out of the door every evening mentally and physically tired. We must make sure that they come back with a zest to work.

"Thanks to the emergence of companies like Amazon.com, the traditional companies have realized that they have to shape up or ship out. So there's a tremendous emphasis on leveraging the power of the Internet. We understand online transaction processing very well – we have done it for 18 years. E-commerce requires the ability to mount a robust and secure an online transaction processing engine, a certain application layer. The only difference is that you have to create a user-friendly web front end which skill we've developed in the last 2-3 years. We have a big advantage of over new e-commerce companies because the design and implementation of a high performance engine is something we've been doing for years. U.S. corporations are in a hurry to get on to the e-commerce bandwagon and this is a clear opportunity for us. "My vision is to make Infosys a globally respected software corporation, delivering the best of solutions employing the best in class professionals. That's different from a multinational corporation, which generally has subsidiaries in different countries, manufactures and sells there. As a corollary to that, I want it to be a place where people of different nationalities, religions and races will come together and compete in an environment of harmony and meritocracy. We

believe that the local people are the best people in a given environment.

When we visited him, his company had just lost billions of dollars of stock value and projected growth. Earlier he had stated: "I tell my colleagues not to look at the stock market. What we should worry about day after day is to provide quality products on time, within budget to our customers. We must show transparency to investors, not violate any law of the land, and be in harmony with society. That's our main charter and we should stick to it. The stock market may or may not reward us even if we do that. This is ephemeral. We should not be too ecstatic about it today or get despondent if it falls tomorrow." When asked what advice he would give to the next generation of entrepreneurs, Murthy replied: "Leadership is about making what seems impossible, possible; about changing the perception of what reality is. The reality in India is dirty roads, pollution, bad traffic, etc. Reality is what we make it; it is for us to change.

If you give confidence to people they can achieve tremendous things. We have run this company as professionally as any other corporation in the world in terms of the principles of corporate governance, in not using corporate resources for personal conveniences, with respect for the professional.

"Early to bed and early to rise and work like hell. Those people who have entrepreneurial strengths need to get a marketable idea and understand the window of opportunity for it. They have to bring together a team that has mutually exclusive, but collectively exhaustive skills and work out a value system. Entrepreneurship is about running a marathon, not a 100-meter dash."

What does money mean to Narayana Murthy?

"Beyond a certain level of comfort I think one's wealth should be seen as an opportunity to make a difference to society. My colleagues think so, too. The power of money is the power to give. Obviously it will have to be done in a gradual manner over the years, but there's no doubt that a majority of what we have will be given to public causes."

What drives Murthy then if not money? "There's a saying in America that the reward for winning a pinball game is to get a chance to play the next one. In most situations, the pleasure comes from the journey, not the destination."

#### 1. A case study On Microsoft

1. Submitted By: Submitted To: Eklavya Sharma Mr. Vikas Kumawat 12EBKKEE031 A CASE STUDY ON

2. INTRODUCTION ¶ Microsoft is a multinational computer technology corporation headquartered in Redmond, Washington that develops, manufactures, licenses, and supports a wide range of products and services related to computing. ¶ The history of Microsoft began on April 4, 1975. ¶ It was founded by Bill Gates and Paul Allen in Albuquerque. ¶ Its current best-selling products are the Microsoft Windows operating system and the Microsoft Office suite of productivity software.

3. HOW IT ALL STARTED?... "A computer on every desk, and in every home."

4. 1975 • Microsoft is founded by Bill Gates and Paul Allen; they sell BASIC, the first PC computer language program to MITS Computer, Microsoft's first customer. 1981 • Microsoft, Inc. is incorporated; IBM uses Microsoft's 16-bit operating system for its first personal computer. 1983 • Paul Allen resigns as executive vice-president but remains on the board; Jon Shirley is made president of Microsoft (he later becomes CEO); Microsoft introduces the Microsoft Mouse and Word for MS-DOS 1.00. . 1985 • Microsoft and IBM forge a joint development agreement. They launch Windows 1.0 ( first window based OS)

and after that in 1986 Bill gates become youngest billionaire at the age of just 31. 1989 • Microsoft co-develop SQL server 1.0. Contd.... HISTORY OF MICROSOFT

5. 1990 • Jon Shirley retires as president and CEO; Michael R. Hallman is promoted in Shirley's place; the company becomes the first PC software firm to surpass \$1 billion of sales in a single year. 1992 • The company introduces Windows 3.1. Windows now has over 25 million licenced users. 1994 • In this year Microsoft released Windows NT. 1995 • In, 1995 Microsoft launch windows 95 and sell 1 million copies in 4 days. 1997 • The Justice Department alleges that Microsoft violated a 1994 consent decree concerning licensing the Windows operating system to computer manufacturers •The U.S. Department of Justice files two antitrust cases against Microsoft, alleging the company had violated the Sherman Act.1998 Contd....

6. 2001 • Microsoft Windows XP is released internationally. In 2002, Great plain software is acquired by Microsoft. 2003 • Microsoft launches Windows Server. 2004 • Microsoft announces a five-country pilot program for Windows XP Starter Edition, a low-cost introduction to Windows XP designed for first-time desktop PC users in developing technology markets. 2005 • MSN launches a new Search service, available in 25 markets and 10 languages. The new MSN Search service delivers results of greater relevance, instant answers to specific questions, and a collection of tools that give Internet users greater control in targeting and refining searches. 2007 • Windows Vista was released to consumers along with a new version of its Office suite, called Microsoft Office 2007 •First beta of .NET framework released. 2000 Contd....

7. 2008 • Bill gates leaves Microsoft to pursue charity work. 2009 • In this year Microsoft released windows 7. Beats all previous records of sales. 2010 • For the first time, Apple comes close to Microsoft and becoming the most valuable technology company in America. 2012 • Microsoft launch windows 8 ( for all people ), .NET framework 4.5, Internet Explorer 10 etc. 2013 • Windows 8.1 was released to consumers along with Office 2013. 2014 • Microsoft Lumia 535, the first Microsoft Branded Lumia Device. 2015 • Microsoft Windows 10 will be launched along with Office 2016.

8. 4 APRIL 1975 • Paul Allen and Bill Gates, childhood friends with a passion in computer programming, were seeking to make a successful business utilizing their shared skills. • They developed the interpreter on a simulator • They demonstrated the interpreter to MITS in Albuquerque, New Mexico in March 1975 • They officially established Microsoft on April 4, 1975, with Gates as the CEO

9. MICROSOFT'S BUSINESS SEGMENTS • Client • Server and Tools • Online Services Business • Microsoft Business Division • Entertainment and Devices Division

10. SERVICES

11. VISION AND MISSION • "A computer on every desk, and in every home." • "Create experiences that combine the magic of software with the power of Internet services Across a world of devices." • At Microsoft, our mission is to enable people and businesses throughout the world to realize their full potential • Our vision is to create innovative technology that is accessible to everyone and that adapts to each person's needs. Accessible technology eliminates barriers for people with disabilities and it enables individuals to take full advantage of their capabilities." —Bill Gates, Chairman, Microsoft Corporation

12. COMPETITOR's For WINDOWS O/S

13. Microsoft Apple Oracle

14. CONCLUSION ♣ Microsoft Corporation has adopted the "Performance Culture Model" as the best approach to drive its success. ♣ The critical people metrics are categorized and measured as per the Growth Pyramid shown in Figure. ♣ Categories across which the surveys are done, analyzed, and the results published- 1. Organization: Organization size, Open Positions, line HR ratios. 2. Organization Health: Workgroup Health Index, Microsoft Pulse Index, Microsoft Culture Index.

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