

# SALAD



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**KV INSTITUTE OF MANAGEMENT  
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### **Faculty Contributions**

- Prof. Mrs. Vimala & Mrs. Saranya, presented a paper at 4<sup>th</sup> India Finance Conference, 2014 organised by Indian Institute of Management, Bangalore.
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**ROLLS-ROYCE**

**"TRUSTED TO DELIVER  
EXCELLENCE"**

ROLLS-ROYCE is one of the most famous brands in the world. It is also one of our most valuable assets. "TRUSTED TO DELIVER EXCELLENCE" is our brand promise and represents the value we have in business. Everyone at ROLLS-ROYCE must be TRUSTED TO DELIVER EXCELLENCE, to take confidence from our brand promise, be inspired by it and, always strive to achieve it. Then slogan reflects the meaning of,

**TRUST:** Can only be earned by the way we behave with customers, shareholders, partners and colleagues.

**DELIVER:** We develop long -term relationships with customers and we must deliver consistently on their behalf

**EXCELLENCE:** A standard, our way of life, few companies can aim higher.

-by Mr. Gokul. R, I MBA.



**What does Wipro Identity stand for?**

Wipro Identity was rearticulated in 1998. The new Identity represents the diverse businesses of Wipro Limited and its Values. It consists of 3 elements which have to be used together always. These 3 elements together is Wipro's Brand Identity.

- Rainbow Flower
- 'Wipro' (written in black)
- 'Applying Thought' (written in black)

**What do the three elements of Wipro Identity stand for?**

**Rainbow Flower**

- Youthful & Energetic
- Multifaceted
- Innovative
- Large - diversified
- Vibrant

**Applying Thought**

- Powerful
- Intellectual
- Futuristic - Visionary
- Maturity
- Commitment to Innovation

**Why did they rearticulate and who selected it finally?** - To restructure the identity they conducted a survey. There was a clear 'no' that it does not represent Wipro. They redesigned, they went back to the stake holders, and the one that they have adopted as their Identity is the one that most of their stake holders liked.

by Ms. Logeshwari Swathy, I MBA

## AMAZON PRIME AIR – A NEW DELIVERY SYSTEM



Amazon's new "delivery system," Amazon Prime Air, promises to get packages to customers "in 30 minutes or less using unmanned aerial vehicles," and could be in commercial use soon as 2015. Skeptics have quickly gathered, questioning everything from the project's safety to its technological feasibility, and even Amazon acknowledges that sending hundreds of unmanned delivery vehicles into the air does seem a bit fantastic.

Amazon, defending the viability of Drone delivery, said "One day, Prime Air vehicles will be as normal as seeing mail trucks on the road today." We've already looked at why drone delivery of pizza, another fun-but-unlikely idea, won't be happening soon. Amazon Prime Air will limit packages to 5 pounds or less, which Amazon says is about 84% of its deliveries, so weight won't be a problem as it would with pizza. But Amazon's drones face some similar challenges. The big two:

### ***Delivery Drones Can Explode, Or Run into Things.***

Unmanned drones are guided by not-always reliable GPS and equipped with metal-bladed propellers and batteries

that may be prone to combustion. They're likely to be impossible to use in many urban areas or anywhere near flight paths for commercial planes. "You're never going to see them until they hit something. When they struggle one of those drones into the engine of an airplane, then it'll get everybody's attention".

### ***Commercial Drone Use Won't Be Approved For Years.***

Amazon chief executive Jeff Bezos has admitted the 2015 timeline is "optimistic" and it could be four or five years before regulations are in place. That may still be too hopeful. Despite pressure from companies and a law passed in 2012 to push commercialization of the technology, full blown certification of drones "isn't slated to start until 2020," judging by the aviation regulator's early guidelines on drone testing. Test sites are expected to be announced this month, but decisions could be delayed because of privacy concerns.

### ***Reason for Creating Amazon Prime Air***

The reason for this all new delivery system is to get packages in customers' hands in 30 minutes or less using unmanned aerial vehicles.

### ***Weight That The Drone Can Carry***

These drones will be capable of delivering up to 5 pounds in weight. According to Jeff Bezos (CEO), this accounts for 86 percent of items that Amazon delivers.

### ***Work Process of Amazon Prime Air***

The package that needs to be delivered is pulled off the lines of the octocopter, and by using GPS it is directed to the delivery address. When it arrives to its destination, it releases the package at the doorstep. Because the 'octocopter' has eight blades if one broke it would still be able to deliver the package safely. Amazon hopes that the FAA's rules will be in place as early as 2015. The Prime Air team claims they will be ready at that time.

By making such a public splash, the company is practically guaranteed a place at the table in any future US discussions of commercial drone regulation. And when Amazon is viewed less as an online retailer and more as a company with "boundless ambition," as one former employee put it, and one that wants to build the infrastructure of the internet economy over the long term, being a leader in drone delivery could be seen as a key part of Amazon's future strategy.

-by Mr. Gokul. R, I MBA.

### **'MBA SABZIWALLA' - WANTS TO MAKE BIHAR INDIA'S VEGETABLE HUB.**

Kaushlendra, a topper of 2007 batch at IIM-A has created an innovative Business Model to make vegetables the new brand of Bihar. **He wanted to work towards making a Bihar a better place enters his project of selling vegetables through ice cooled push carts, a hit in Bihar. Now he is working hard on his Organised Vegetable Marketing (ORVEM)**

project to enable people to buy vegetables through pre-paid cards.

who refused to join a multinational company like his peers as he wanted to work towards making Bihar a better place, says something as simple as encashing a cheque can take days. "There are many small things that impede the growth of an entrepreneur in Bihar. We cannot compete with entrepreneurs of other states because other support services come at huge indirect and direct costs," Kaushlendra, a topper of the IIM-A's 2007 batch, told IANS in an interview.

His earlier project of selling vegetables through ice-cooled push-carts became a hit in Bihar and Kaushlendra, in his 20s, now is working hard on his Organised Vegetable Marketing (ORVEM) project to enable people to buy vegetables through pre-paid cards. He started his NGO Kaushalya Foundation two years ago and his push-cart was his first venture two years ago.

After topping IIM-A, he did extensive field work in meeting farmers and studying cultivation techniques before he started the project. He and his friends and teachers from IIM-A developed a push-cart to make it easy for vendors to carry a vegetable load of up to 200 kg.

In a bid to establish direct links with vegetable growers, Kaushlendra has tied up with over 250 vegetable growers in different villages in Nalanda and Patna districts. He has also tied up with the Agriculture Training and Management Agency (ATMA) to take his dream to vegetable producers in different parts of

state. Kaushlendra said Bihar has an enormous untapped potential for vegetables. The vegetables produced in fertile land near the Ganga river can mark a turnaround for the state if marketed properly.

He recently launched his push-cart service in Lucknow in Uttar Pradesh too and claims pre-paid cards to buy vegetables will help customers avoid the usual rush in busy markets and will also offer additional services. The customers will be able to buy vegetables with the card even if they don't have cash and also get them at slightly cheaper rates. "At present, farmers are not getting the right price and customers are paying almost 300-900 % higher price for vegetables. I believe vegetables and fruits can be made available at cheaper rates to the consumers by eliminating middlemen.

His venture, the Kaushalya Foundation, was established in 2007, focuses on mobilizing and organizing the informal, fragmented vegetable sector. The Foundation primarily targets poor vegetable growers as well as the vendors and the farm hands from the state of Bihar. The Kaushalya Foundation launched project Samriddhii in Patna in February 2008. They also created a public private partnership with Agriculture Technology Management Agency (ATMA), Patna. At present, the Kaushalya Foundation is a setup consisting of 23 employees spread operating in two states.

To begin with Kaushlendra wants to ensure that his product is preserved from the moment it leaves the fields to

the time it is placed in the hands of the customer. The Kaushalya Foundation have employed an integrated supply chain, coupled with service bundles, to connect and maintain the flow of goods. The biggest advantage that this system offers is waste reduction, greater shelf life and a diminished cost price.

Today, more than 3,000 farmers in Patna and Nalanda districts are growing and selling eight to nine tonnes of vegetables through the Samriddhii supply chain and their incomes have soared. While importance is given to cultivation of traditional vegetables like green brinjals, parwal or snake gourd and seasonal vegetables, growth of exotic vegetables like mushrooms, baby corn and special varieties of tomatoes in green houses, is also catching on. Farmers are being organised to work together as a collective unit. If a group of 25 to 30 farmers in a village come together, a vegetable collection centre is set up in the village or its vicinity. These centres are managed by the farmers themselves and they get paid an additional 10 paise per kilo of vegetable that comes to the centre. The Kaushalya Foundation, however, keeps a benevolent eye, advising and solving problems if needed.

The collection centres save the farmers the long trudge to the mandis with sack-loads of vegetables weighing 50 to 60 kg. So far, eight collection centres or Samriddhii grameen kendras have been set up in Patna and Nalanda districts. The vegetables are then taken by tempos to processing centres, where these are cleaned, graded and separated according

Wearable technology: Tommy Hilfiger's new solar-powered jackets will charge your phone!

to their quality before being packed and dispatched for distribution. Vegetables are cleaned but not washed because soaking them in water decreases shelf life. The prices of the Samriddhi vegetables vary according to their quality. While the 'B' grade vegetables, used by bulk consumers like hotels and restaurants, are cheap, the 'A' grade vegetables, retailed through air-conditioned outlets to customers.

The farmers have an assured market in the collection centers. They are informed about the purchase price of all vegetables the previous night and if the price does not suit them, they can defer the sale or take their crop to the traditional mandi. However, selling to the Samriddhi kendras saves farmers the cost of transportation, weighing and packaging charges and the commission that mandis charge. The income of farmers, who have joined Samriddhi's vegetable supply chain, has gone up from 0.25 to 1.50 times. As members of the Samriddhi family, the farmers are trained in organic farming, taken on study tours and encouraged and supported for growing exotic vegetables.

This year the Kaushalya Foundation is entering into an MoU with the Agriculture Department, Bihar, for subsidy for the cultivation of baby corn. Also proposed is one poly-house in each village at government cost. He says "Our next aim is to form institutions of vegetable farmers so that they can have bargaining power in changed market dynamics in the retail industry".

**Sooner Bihar would turn as India's vegetable hub.**

- by MR. Vishak, I MBA &  
Mrs. Saranya , Assistant  
Professor.

## **COTTON INDUSTRY IN COIMBATORE**



Coimbatore is the Second largest city in Tamil Nadu, with the more than 30000 Small, Medium, Large & Tiny Industry and Textile Mills. Coimbatore City is for its Entrepreneurship of its Residents as it's the Home for Many Industry. The City is also known for its Hand Loom Products. There are a Number of Technical Institution with 23.50 square kilometers & Population of 15lakh People.

### **History Of Cotton In Coimbatore**

The Rich Soil of the Region has Contributed to Coimbatore's Flourishing Agriculture Industry There Are More Than 2500 Small, Medium, Large Scale industries and Textiles Mills. The Result has been a Strong Economy and a Reputation As one of the Greatest Industrial Cities in South India. Tirupur-



Wearable technology: Tommy Hilfiger's new solar-powered jackets will charge your phone!

a neighboring Town has a niche for itself in the Garments Market, and Coimbatore is Considered as Manchester of South India.



### **Problems Facing By Cotton Industry**

- Irrigated area offers good scope for production
- Ideally suited for long and extra long staple cotton
- Spurious seeds, poor quality inputs
- Extended wet spells and pest problems
- Monocroppin
- Excess production leads to steep decline in price
- Low yield in ELS cotton varieties
- High cost of production

### **Major Problems Faced by Industry at Present**

1. Pricing
2. Supply of Raw Material
3. Labour Turnover and inadequacy
4. Fall In Demand

**Vertical Integration - a key to renovate the industry again**

- by Mr. Sabari, I MBA

**Nitin Nohria** is the 10th and the current dean of Harvard Business School. He is also the George F. Baker Professor of Administration. He previously served as co-chair of the HBS Leadership Initiative and sat on the executive committee of the University's interfaculty initiative on advanced leadership. Nohria was born in Nohar, Rajasthan in India. His father, Kewal Nohria, was the former Chairman of Crompton Greaves in India and was an influence upon Nohria's decision to embark upon a career in business. Nohria graduated from St. Columba's School in New Delhi, India following which he earned a B.Tech in Chemical Engineering at the Indian Institute of Technology, Bombay and earned a Ph.D. in Management from the MIT Sloan School of Management. He is working with fellow HBS professor Rakesh Khurana, the World Economic Forum and the Aspen Institute to create a business oath, like the MBA Oath, that might be used globally. In a *Harvard Business Review* piece published in October 2008, Khurana and Nohria linked the connection between professionalism of a profession and the profession's ability to deliver value to society.

On May 4, 2010, Catherine Drew Gilpin Faust, President of Harvard University, appointed him dean of the Harvard Business School. His term began from July 1, 2010. He accepted the offer to become the next Dean of Harvard Business School, effective July 1, 2010. He previously served as co-chair of the Leadership Initiative, Senior Associate Dean of Faculty Development,

### **Cover Story**

**NITIN  
NOHRIA**



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and Head of the Organizational Behavior unit.

He is the second HBS dean, after John H. McArthur, born outside the United States and the first dean since Dean Fouraker in the 1970s to live in the Dean's House on the HBS campus.

He is married and father of two daughters.

His intellectual interests center on human motivation, leadership, corporate transformation and accountability, and sustainable economic and human performance. He and Amanda Pepper collaborated with XPlane in creating the Paths to Power video to generate a discussion of the value and importance of leadership in addressing some of society's most pressing problems. In June 2010, in anticipation of a conference he hosted with Rakesh Khurana and Scott Snook, Harvard Business Review launched a six-week blog on how leadership might look in the future.

He is co-author or co-editor of 16 books. His most recent, *Handbook of Leadership Theory and Practice*, is a compendium dedicated to advancing research on leadership based on a colloquium he organized during HBS's centennial celebrations.

- by Ms. Savitha, Assistant Professor

## XIAOMI'S MARKETING STRATEGY AND ECONOMICS OF PRICING



consumer electronics. The company's founder and CEO is Lei Jun, China's 23rd richest person according to Forbes. The company sold over 60 million smart phones in 2014. Xiaomi is now the third largest Smartphone maker in the world for smart phones. Xiaomi sells a model for up to 18 months instead of the short 6 months used by Samsung to profit from the fall in the costs of components that occurs over time. To further reduce overhead costs, Xiaomi does not own a single physical store and instead sells exclusively from its own online store. It also did away with traditional advertising and relies on social networking services.

Pricing is probably one of the most difficult parameters to optimize. Price is determined by several other factors like branding, positioning, marketing, and many times psychology. When you buy a product, you are paying not just for the cost of the material and manpower, but also for the profit margin, costs incurred in marketing, brand positioning and advertising. If you want to price your products at a premium (think Apple), the product needs to have a unique positioning, in terms of USP of the product or a never-before-seen

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innovation. You can then employ the **WTMWB pricing strategy**.

**What the Market Will Bear** - They try to sell at premium prices as fast as possible before the competition gets on to your USP. This strategy works best with 'Early Adopters' as these are the set of people who are not very price-sensitive and look to get their hands on new, innovative technologies.

**The GPMT strategy in pricing**- GPMT or Gross Profit Margin Target is what the companies usually look at when trying to set prices. In simple terms, it is the gross profit margin that they need to pay back their expenses and generate positive net income and cash flow. A typical manufacturer-distributor-retailer model, the manufacturer aims for a GPMT of 50%, that is it wants to sell the product at twice the cost price. The latter two look at a GPM of 10-15% and 30-50% respectively.

### ***Xiaomi's Pricing and Marketing***

To start off with, Xiaomi sells its products through online, since it's an e-commerce company and they live on the internet. This ensures that the costs of warehousing and distribution are cut completely. Xiaomi also shuns traditional models of advertising and depends solely on Social Media marketing and word-of-mouth. XiaoMi has also managed to harness the power of social media by not only broadcasting their messages and announcements but by actively engaging with their customers. Engineers are routinely encouraged to speak directly to

consumers and use gathered feedback to refine software.

Xiaomi cuts cost at every stage. It sources components itself and deals with these sellers with a different strategy. **Xiaomi also bets on 'Moore's Law'**. Unlike other bigger players who discontinue their models after 6-8 months in the market, Xiaomi sells its products for upto 18-20 months after launch. This means that, in accordance with Moore, the price of the individual components go down while the price of the phone remains constant throughout. **But the most important thing to note is that Xiaomi is a 'mobile internet company'**. It is looking to make money, not on its hardware, but by selling apps, games and special Android themes and Internet services on top of its custom MIUI - a pricing strategy very well-adopted by the e-commerce behemoth Amazon.

- by Mrs. Vimala, Assistant Professor

### **STRATEGIES THAT MADE BUFFETT THE RICHEST**



Warren Buffett is generally considered to be one of the great investors of

modern history. After all, under his leadership, Berkshire Hathaway Inc. (NYSE: BRK-A) has become worth more than \$300 billion, putting Buffett's own net worth at more than \$60 billion. Many investors chase Buffett's stock investments each quarter, and there are numerous lessons that can be picked learned by understanding the Oracle of Omaha's investment career. While you almost certainly will not be out striking a multi-billion dollar buyout of a railway, utility or food company, there are many relatable lessons in Buffett's investment strategies.

Based on our own analysis, 24/7 Wall St. has identified 10 strategies that help ordinary speculators invest like Buffett. These strategies do not focus on chasing Buffett's moves after he has made them. Instead, the aim of these strategies is to encourage a strategic approach to long-term wealth-building strategies, and to help you adapt as the the market evolves throughout your life. Buffett thinks longer term than the bulk of investors. He also keeps his approach relatively straightforward and has formulas for what he thinks works. Buffett knows a few things about the business cycle of booms and busts. It is not by accident that the companies he picks do not go belly up in hard times.

Buffett also considers industry trends over a period of decades. His holding period is similarly long. You will see references to The Coca-Cola Company (NYSE: KO), American Express Co. (NYSE: AXP), Wells Fargo & Co. (NYSE: WFC), International Business Machines

Corp. (NYSE: IBM) and others throughout. Buffett has been a long-term investor in all of these companies. These four positions were 56% of the total fair value of his \$116 billion in public equity holdings as of March 31, 2014.

Analyzing Warren Buffett is often harder than it seems. While Buffett is no stranger to talking up his own portfolio, he only speaks with the media when he wants to. And now he has two portfolio managers under him, not including his long-time friend and Berkshire vice chairman, Charlie Munger. Simply chasing new Warren Buffett stock picks is something guru-watchers often do. However, there is a long lag between when Buffett invests in a company and when the public gets to see the new holding in SEC filings.

10 strategies that all investors can use to invest like Warren Buffett.

- Sticking With What You Know and Can Easily Understand
- Having a Forever Outlook
- Investing in Value, at the Right Price
- Only Investing in Solid Management and Clean Books
- Understanding Timing, Picking Extremes.
- Knowing When and How to Keep Buying on the Cheap
- Keeping Your Powder Dry, and Keeping Reserve Funds
- Knowing When You Made a Mistake... or When Times Have Changed
- Looking Internationally

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- Maximizing Your Tax Strategy

-by Mr. Gokul. R, I MBA.

# About SALAD

SALAD is a quarterly magazine published by the students of KV Institute of Management and Information /studies, Coimbatore. SALAD aims at serving the management student community in imparting knowledge about current events, management sciences, etc., SALAD is any mixture of old and hot food that is either arranged or served. Likewise, our SALAD provides a wide variety of information.

SALAD contains categories like cutting edge of case studies, Opinion of renowned oration, In depth of slogans, Scrutiny of emerging companies and industrial sectors, Ideas of management books, Launch of the month, Business plans, Qualities and shortcomings of issues, Gestalt of economy, Politics cum management, Parley with CEO's and so on.



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