



VPM'S LONDON ACADEMY OF EDUCATION AND RESEARCH

Workshop on

Global Meltdown Lessons to be Learnt

Tuesday 26th May 2009

Brunel Hall, School of Oriental and African Studies, (SOAS),
University of London, London, UK



VPM's (Thane), India London Academy of Education and Research

Inauguration Ceremony - Tuesday, 26 May 2009

Inaugural Address - Dr. Vijay V. Bedekar

*Chairman, Vidya Prasarak Mandal (Thane), India
and
Director, London Academy of Education and Research*

Global Meltdown - Lessons to be Learnt

**Workshop - Tuesday, 26 May 2009
London, UK.**

Summaries of Presentations

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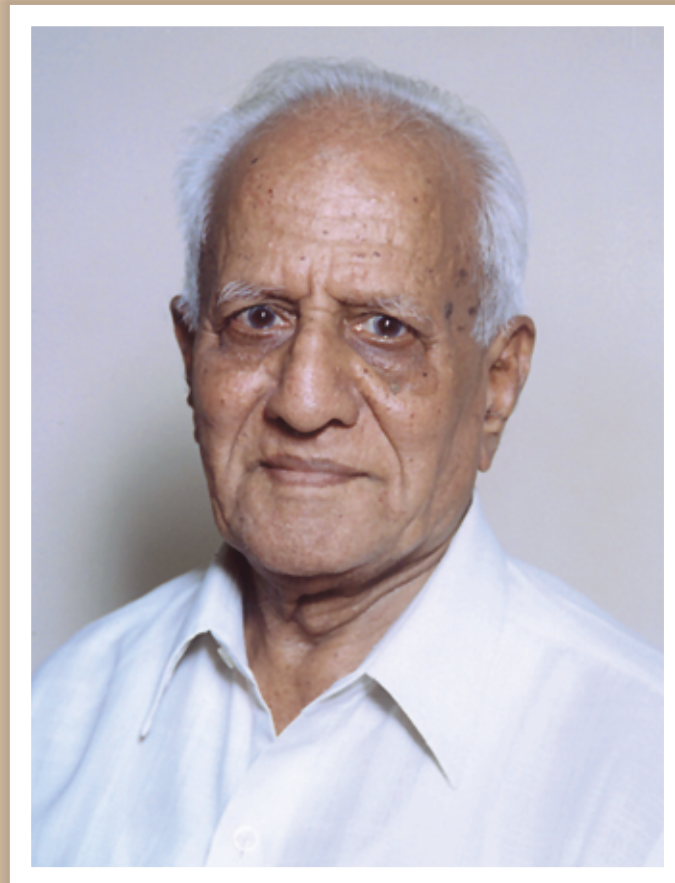
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A Man with a Vision



Dr. V. N. Bedekar

'A Leader's job is to look into the future, and to see the organisation not as it is... But as it can become'

Vidya Prasarak Mandal (VPM), Thane, India

INVITATION

Trustees and Management of VPM (Thane), India proudly announce the launch of VPM's London Academy of Education and Research and extend you a cordial invitation to attend the inauguration ceremony on Tuesday, 26th May 2009, in London (UK) at 5.00 P.M. at Brunei Hall, School of Oriental and African Studies, (SOAS), University of London, London

Dr. Vijay V. Bedekar Chairman, VPM (Thane), India and Director, VPM's London Academy of Education and Research will deliver the inaugural address. The inaugural ceremony will be followed by the workshop on 'Global Meltdown - Lessons to be learnt' organized jointly with Lall- Ondhia, London, UK

WORKSHOP

GLOBAL MELTDOWN - LESSONS TO BE LEARNT

Day and Date : Tuesday 26th MAY, 2009, LONDON, UK
Time : Commencing 5.00 P.M.
Venue : Brunei Hall, School of Oriental and African Studies, (SOAS), University of London, London

☞ INVOCATION

☞ **Launching of VPM's London Academy of Education and Research, Inaugural Speech by Dr. Vijay V. Bedekar, Chairman, VPM (Thane), India and Director, VPM's London Academy of Education and Research**

☞ GLOBAL MELTDOWN - LESSONS TO BE LEARNT

Speakers

- Dr. Guruprasad Murthy - Keynote Address
- Mr. Harsh Ondhia - An Overview
- Dr. Vishnu Kanhere - Banking and Financial Dimensions
- Dr. S. Siddhan - Manufacturing Dimensions
- Dr. P. M. Kelkar - Marketing Dimensions
- Dr. Guruprasad Murthy - Human Resources Dimensions
- Interactions
- Dinner

Global Meltdown - Lessons to be Learnt

A PROLOGUE

Chairman's Message



Dr. Vijay V Bedekar

Vidya Prasarak Mandal's (VPM's) London Academy of Education and Research was born on 10th February, 2009 to establish VPM's footprints in the U.K. VPM's Group of Institutions cuts across almost all faculties of education - arts, 'commerce and management,' engineering (polytechnic), law and science. VPM (Thane) is seized of the societal pressures and changes arising out of globalization, liberalization and privatization. In addition, there is the omnipresence of Information Technology and electronic media which has changed the landscape of industry, trade and commerce at global, national, regional and grass root levels. The World is now viewed as a global electronic village. In the context of the dynamic scenario and the emergence of a knowledge society, economy and worker, VPM (Thane) has taken a conscious decision to extend its horizons, *in the field of education, beyond its present area and disciplines of operation to emerge as a dynamic and responsive organization in different new disciplines and places of the World- in the present case, the UK.*

VPM's (Thane) London Academy would like to project itself as part of India's emergence as a 'knowledge superpower' and strategy for societal transformation. Specifically, VPM's London Academy would like to be an important member of the 'Knowledge Superpower' and an integral part of the process of globalization of education in a seamless World, a proactive user of knowledge, to benefit all its constituents and facilitate, through education, the empowerment and enrichment of all its stakeholders across the global network.

In fulfilment of its commitment to the student fraternity as also its positioning as a learning organization, VPM (Thane), India is ever ready to develop knowledge assets for use by the World at large. After due deliberation and research on the recent global meltdown we have developed explicit knowledge on the crisis currently raging all over the World. With a view to share our knowledge assets on a topic of vital importance to the world at large, VPM's London Academy is organizing a workshop in London in May 2009 on the theme 'Global Meltdown-Lessons to be Learnt.' The World is currently experiencing the traumatic impact of the crisis since September 2008. Almost all sections of the global order have been adversely affected by the 9/11, sub-prime crisis, the ponzi wave in the US and finally the burst of the bubble when the leading institutions of the US financial order collapsed. The memories of these events are still very fresh. The World statesmen are grappling with the situation to find viable solutions. The helpless and hapless victims of the global meltdown are eagerly looking forward to practical solutions to the issues confronting nations at different levels - individual, institutional, regional, national and international. No country can isolate itself from the mainstream, because decoupling is a rule of the past. Nations and therefore members (citizens) of all nations swim or sink together.

In the context of the current scenario the workshop will address various issues the anatomy of the meltdown, its causes and the impact of the meltdown on various segments-banking and financial services, marketing, manufacturing and human resources.

Thus, the banking and financial order needs to be revamped, rejuvenated, restructured and also regulated. Markets have to be viewed in different perspectives - new approaches to pricing, positioning, promotion and place of business as well as sales of products and services. The manufacturing segment of business has to address issues concerning the operational dimension of business. Various approaches are emerging viz. re-deployment of production apparatus and human assets to newer non-routine activities like research and development activity, innovation, training and

development and newer products and processes to meet the existing and more importantly, the emerging order. The present lull period is an opportunity to improve the knowledge base of the organizations to seize new opportunities that appear on the horizon or exist beyond. Never before has the power of ideas been more important. Proactive viable ideas shall enjoy a premium price, recession or boom it does not matter. Hence all stakeholders of the World fraternity are advised to innovate, ideate and improvise.

The HR dimension has its own woes viz. loss of jobs, voluntary pay cuts, embargo on recruitment, revised rules of evaluating staff, pink slips hanging over benched employees like the 'sword of Damocles' and furloughs. In the circumstances a pro-active HRD policy is a 'conditio sin qua non' (condition without qualification) to revive the mindsets of people across citizens, counties, countries, continents and the globe at large.

An important message which emerges is that no amount of doles and bail-out packages may really redress the turmoil which people have experienced. An incisive look, into the deeper causes of the crisis, is required. The focus has to be on the paradigm shift in the mindsets of people all over the world. 'Unchecked and unbridled' greed has to give way to moderation and enlightened self-restraint on superfluous consumption and prodigal dispensation of wealth. Thus, money, consumerism (nay vulgar consumerism) and growth rates of key parameters like per capita income, growth rates in GDP and wealth accretion at individual and country levels, as pillars of modern society, need to be revisited. Earlier there is a change in mindsets in favour of attitudes and approaches that favour the cause of real human wellbeing and happiness, faster will be the recovery path from the current economic situation. The workshop will address the theme of global meltdown from various angles and try to provide viable and workable solutions which will hopefully help people to think and apply their mind in a positive direction. Further, the workshop will address the issue of the need to network and rejuvenate mindsets to tide over the crisis afflicting the global fraternity, of course, assuring at all times, the dignity of member nations of the globe. The crisis of risk aversion, lack of confidence and trust has to be replaced by trust, camaraderie and informed and calculated decision with inherent risks adequately de-risked. The workshop will make a humble effort to provide the necessary motivation to sustain the onslaught of the global meltdown, the aftermath and suggest various ways and means of recovering from the almost unprecedented holocaust that has caused untold miseries, hardships, harm, loss and damage. We hope that our workshop in London will meet great success with the co-operation of all.

Dr. Vijay V. Bedekar

Chairman, VPM (Thane) INDIA and
Director, VPM's LONDON ACADEMY OF EDUCATION AND RESEARCH
LONDON, UK.

Summaries of Presentations

Global Meltdown - Lessons to be Learnt

KEYNOTE ADDRESS

- Dr. Guruprasad Murthy

The financial crisis that brought some of the World's wealthiest and powerful countries to the threshold of financial collapse was fundamentally different from the great depression in that it exposed the cracks in the modern financial system and crippled both the liquidity and the vital confidence. 15th September, 2008 was a black day in the financial history of the World, when the U.S. stock markets' plunge was the worst in the last seven years. All the four leading financial institutions viz. Lehman Brothers, Merrill Lynch, Bears Sterns and Fannie Mae and Freddie Mac vanished. The ripple effects were too conspicuous and markets in Europe, Asia and Russia collapsed or were on the brink of a total breakdown. Global stock market capitalization declined by 41% during 2008, from USD 55.2 trillion to USD 32.6 trillion. The immediate reaction of the policy makers was to consider huge bailout packages because the failing giant firms were perceived as indispensable for providing the universal necessities and maintaining the nation's welfare and security. According to the news posted on 22nd September, 2008, "The Bush administration proposed an unprecedented bailout for investors, a scheme that would authorize the Treasury Department to spend as much as \$700 billion in tax dollars over the next two years to buy up bad securities. The move came after the federal government had already sunk a total of \$900 billion into America's financial institutions during the year, potentially bringing the total value of the Fed's tinkering to \$1.6 trillion over three years." However, the grimness of the situation meant that short term, quick fix solutions were unlikely to weather the crisis and refurbish the shattered financial system. The growing interconnectedness of the World at large created by strong globalization forces called upon the leaders of the World's richest nations to acknowledge the responsibility for the crisis and take positive steps towards reviving the global economy and restoring the confidence in the financial institutions by providing clear long-term strategic direction. Therefore, when the leaders of the G20 nations met in London on 2nd April 2009, the expectation was not only to fulfil the pledges to bring the world economy out of recession but also to prevent such financial predicaments in the future. The only viable option for this was to accept the changing dynamics of the new, fledgling world order that effectively moved away from the US-centric global economy and capitalistic models.

Implications of the G20 Summit Agreements

There were two big winners of the G20 agreements viz. emerging Asian countries and the International Monetary Fund (IMF), although the level playing field still remains elusive. China gained on geo-political front while India vindicated as attractive destination for International Financial Institutions (IFIs). The emerging markets have certainly acquired greater voice in the global bodies stopping short of rupturing the protectionist policies of rich nations. The package of \$1.1 trillion announced at the summit comprises an additional \$500 billion in the resources of the IMF that would enable IMF support countries in financial distress. The question is whether throwing money at the problem would work? The U.S. President Obama responded, "This is a step that was needed to be taken. Whether this is adequate cannot be confirmed immediately now." This indicates that the U.S. policies still devolve to repairing the financial topography on the horizon, not beyond. But then no

The major stock markets rallied after the G20 announcement. The Dow Jones industrial average rose 3.43% to 8027 while the NASDAQ was up 3.8% to 1610.

The Mumbai stock exchange Sensex rose sharply by 4.5% to close at 10,348.

country would like to lose its secure advantage and concede to the political and social pressures. Nonetheless, the markets World over were enthused by the move viewed as healing touch for the global economy.

The more important aspect was to reach an agreement on a radical overhaul of the global financial system in order to bring in transparency, regulate compensation of top corporate leaders and track money flows. This deals a severe blow to the set capitalistic structure that percolated international financial institutions and monetary bodies. Nicolas Sarkozy, the President of France harped on 'capitalism with conscience' saying, "The agreement on a new regulatory regime and crackdown on tax havens has turned the page on an era of post-war Anglo-Saxon capitalism." The end is in site for crony capitalism that is enrichment of well connected or the flow of wealth to a small group of people who are already wealthy, but the question remains unanswered as to what 'ism' could replace capitalism particularly since exclusive socialism has been a tested failure. According to Bernard Henri Levy, the French Philosopher, "The mad rule of money and materialism as the measure of all things in short, the free market, released from all rules and governed only by the greed of the most powerful fatally corrodes our souls. At the same time, the communist or the fascist corruption through the negation of the market is significantly deeper, deadlier, and more irreparable than the first." In the same vein, the Bishop of Munich, Reinhard Marx, has recently come out with his version of the other Marx's Das Capital, which endorses market but calls for return to a socially responsible model of capitalism.

Global Meltdown-Lessons to be Learnt

- The uncontrolled, unregulated and high growth rates causes damage to the environment, value systems and society at large.
- There is a much greater need today to establish systematic cooperation between countries and develop a financial framework of internationally agreed high standards. Regulators have to play a paradoxical role of protecting the consumers, supporting the competition and keeping pace with innovation in the market place.
- The money channelled through tax evasive conduits cannot be upheld since the opacity eventually leads to illegal investments that result in severe repercussions for global financial systems. Moreover, the lavish salaries and bonuses paid to the corporate elite have to be capped and regulated.
- The swift implementation of the decisions particularly the G20 pledges is essential to rebuild trust. The idea is to build a new world in which finance is at the service of people and not the other way round.
- There is a clear need for the reform of world economic and political order. The developed western countries have to take into account the developing world by directly providing representation in all economic associations. The rich nations cannot slam the door on exports by poor nations and outsourcing. The multi-polar scenario is now a reality and the collaboration on all interdependent matters is inevitable.

G20 : 02 April 2009

Five broad measures;

- Cheap money policy all over the world.
- State intervention through the central banks in all financial markets.
- Banks making an all out effort to preempt large scale insolvency and loss of confidence.
- Fiscal stimulus to expenditures in the financial sector and also subsidies and guarantees on a large scale between governments and market participants.
- Other measures
 - Protectionism
 - Innovation through public-private partnerships
 - Enhancement of IMF resources

Global Meltdown - Lessons to be Learnt

An Overview

- Mr. Harsh Ondhia

The global meltdown has by now affected almost all countries of the globe. Starting around September, 2008 when the four investment banks, viz. Lehman Brothers, Merrill Lynch, Bears Sterns and Fannie Mae and Freddie Mac suddenly vanished from the scene, we are now in the midst of a turmoil unknown for nearly a century. Of course the seeds for the sub-prime crises were sown much before September, 2008. Risky lending and ignorant borrowing was the order of the day in the United States. Banks' failure became ubiquitous in the U.K. with the government trying to identify various ways and means of supporting sinking banks. Suddenly, the market failed as an arbiter of economic activity and government intervention in the U.S. and the U.K. came in vogue. Over the last several months, efforts have been made by different countries, groups of countries and multinational financial institutions to bring some order to the global economic system as well as economies of different regions and countries. The challenge lies in restraining unproductive or speculative activity and encouraging bonafide productive economic activity. The global crisis has affected consumption demand and therefore production and employment levels have been trimmed in corporates and businesses across the cross-section of global Inc. As a result, there are serious distortions between the key economic parameters that govern the functioning of any economic system viz. consumption, savings, national income production, employment and in some cases price levels. Loss of jobs has been a key adverse feature resulting in a chain negative reaction. The International Labour Organization has predicted loss of 50 million jobs on a world wide basis. This has affected the morale of people all over the World. It has brought the horrid memories of the Great Depression into the minds of people particularly the U.S. This has resulted in reactive and negative mindsets which will take a long time to get over. The 400 years old capitalist system is now under fire. A new 'ism' has to emerge. Capitalism has failed. Socialism has also failed. What new 'ism' can society evolve to manage the wealth producing resources of the community. These and other issues will be discussed in the Workshop to be held on 26th May, 2009 in London. I am happy that the Vidya Prasarak Mandal (VPM), Thane has established an academy in London viz. 'VPM's London Academy of Education and Research' and we i.e. Lall Ondhia, a firm of chartered certified accountants in the U.K. are happy to associate ourselves with this program today. We are looking for partnering with VPM (Thane) in other ventures to sub-serve the cause of education in the U.K. I hope we will work for a common cause with the right spirit and fruitful results and that it will be a rich and mutually rewarding experience. I wish Dr. Vijay V. Bedekar, Chairman, VPM (Thane) all the best in the endeavours of VPM (Thane).



Banking and Financial Dimensions

- Dr. Vishnu Kanhere

The current global crisis has hit not only banking, insurance and the finance sector, but almost all the sectors of the economy and lines of business and industry causing a severe recession and economic downturn. This has persisted and turned into a depression that has shaken the fundamentals and the trust and faith that people had in the capitalist system and the markets. Alan Greenspan, the former Federal Reserve Chairman notes that this crisis is different from all previous cataclysms because it has paralyzed major aspects of both the banking and securities industries simultaneously. The fact is that this crisis is not merely the outcome of a fall in business opportunities, negative growth or downturn. It is a crisis of confidence caused due to banks and financial institutions falling prey to greed and indiscretion by creating and funding products based on bad loans and sub-prime assets to grow their business. Moreover, the dollar being an international currency, any impact on the US economy is bound to have global consequences. The Lehman brothers collapse actually gave a dramatic extra push to the vicious cycle of falling asset

prices, banking distress and low economic activity. The impact is so severe that economic activity is expected to decline for a prolonged time period and deepen further resulting in soaring unemployment rates, shrunken investments and bleak outlook. According to the OECD chief economist Klaus Schmidt-Hebbel, the jobless numbers in the G-7 rich nations would nearly double to almost 36 million and most countries would reach double digit unemployment rates by late 2010. The taxpayers' money is at stake, so financial institutions that are wholly or partly publicly owned or supported, will have to respond to political pressure. Not only will politicization increase as recession deepens but also the non-commercial considerations will feature significantly as politicians react to popular anger and respond to widespread suffering and anguish. Most Governments have maintained that these measures are only in the short term. However, if current indications are to be believed, the massive expansion of government spending and borrowing will persist, increasing the state's role in the operation of the economy and the capital markets for a long time. The meltdown has also raised social issues - the need for inclusive growth and greater effort by business, industry and government at addressing inequalities that are getting accentuated and worse with rising unemployment. Culturally, this has already spawned a heightened sense of nationalism and protectionism and a feeling of insecurity that is taking people back to their roots and making them more sedate and down to earth.

Future Trends

One thing is clear that the future is not going to be the same politically, socially, culturally and economically Europe and the emerging third world Asian countries will continue their quest for a less US-centric multipolar, new world order.

The problems and issues that have come up are unique in terms of scale, spread and their very nature and type. It will be an uphill task / very difficult to restore people's confidence and trust as, no one is sure how much more of toxic assets, misstatements, dressed up performance, impact complex unclear instruments and transactions are going to be discovered as we go ahead. It is like in an economic minefield. Every one government, regulators, corporates and individuals will try to clean up their act. There will be a return back to basics. People will be more realistic, play safe, and keep within their resources and constraints. People will be more cautious and circumspect and this is going to make the road to recovery more difficult and slow. There will be a shift away from herd mentality and exotic instruments to traditional finance and banking.

To summarize:

- There is a collapse in trust in and between banks that has been both a cause, and consequence, of the crisis. Customers discovered that they were exposed to unexpectedly risky products and excess leverage. The financial institutions therefore will have a tough task to rebuild trust, by being ethical, transparent and prudent.
- Transparency will be the key to restore trust and hence trading, between financial institutions.
- Simultaneously, the governments will intervene directly or indirectly via guarantees or financial support.
- Lack of trust can also be addressed by trading open exchanges or avoided by relying on internal financing or non-bank financing.
- Risk premia, which have exploded since the crisis began, are unlikely to return to pre-crisis levels soon. But, the painful lessons will be remembered for many years

What is the solution, what should people do?

It is a time for capacity building, picking up and consolidating. It is also time for learning and research to try and diversify to de-risk the operations. Creativity will hold the key to finding winning solution that will overcome the current negative trend. Thus, learning is greater than or equal to change. These are times of change, and so long as one keeps learning from the situation it will be possible to overcome and stay ahead of the change.

No doubt, experience is the costliest teacher and those who are singled by the crisis will be better safe than sorry. However one cannot just be passive onlooker, you have to do something although whether it is the right step, and when it will bear fruit is not certain nor clear.

The Mantra is to use simpler business models and products, rationalised systemic regulation; 'de-risking' the financial institutions and banks; restructuring big institutions, slow and steady growth.

It is better to take slow steady yet firm steps to try and mitigate the change, treat the problem and recover from the crisis. Also it may be the best time to start taking fresh steps with renewed effort and enterprise so that one would be in the right position and the right place at the right time, when the revival happens.

Why India? A weak Rupee means cheap costs. India has one of the world's biggest English speaking population. Its association with UK goes back to over 600 years and there are strong bonds that exist. The Indian framework, laws, rules & regulations are also based on UK model. Above all India is one of the largest democracies with stable, safe and transparent environment, a highly skilled labour force and knowledge pool, with a conducive environment for FDI. India is fast becoming economic superpower. So destination India and a UK India Collaboration makes great economic sense, especially with India getting to the doors of G-20.



Manufacturing Dimensions

- Dr. S. Siddhan

Financial crisis and its precipitation in the last quarter of 2008 was seen by experts as something which is a stand alone happening. It's said that 9/11 was the happening that exposed the financial strength or otherwise of the major countries in the world. While we get our acts together in these turbulent times, it is important not to "throw the baby out with the bathwater." As when you throw out the bad stuff, you don't have to include the good stuff, too.

The stock-market pullback that rattled investors around the world did touch all the three aspects of business management: Finance, Market and technology including manufacturing.

The world's industrial economy need not be knocked around too much by the vicissitudes of the financial markets, according to Nicholas Heymann, an analyst at Prudential Securities, who said then that the slowdown the industrial sector is now experiencing is a result of a supply adjustment, not diminishing demand. As time moved, it was clear apart from inventory corrections, the demand supply situation is also impacted. The wheels that turn the three segments in an economy, Agriculture, Manufacturing and Services, run with money as the fuel.

Another belief that was blown to smithereens is the prediction of an unlikely negative impact the long-term surging demand for global industrial infrastructure, particularly in developing economies," Heymann said.

The slowdown was led by sharp cooling in the residential housing, infrastructural developments, automotive markets, textiles and services market leading some to call it a recession within manufacturing and the industrial segment of the global economy.

In addition to noting the rebound in the Institute for Supply Management's PMI reading, Heymann said demand for industrial products is still strong because of solid export growth. The soft U.S. dollar also makes U.S. industrial products compellingly priced to foreign buyers, and interest rates remain low by historical standards.

Export situation changed drastically and touched new lows in major economies which left many continents a frightened lot. We will discuss the need to question the established practices of customer demand, cash flow improvement, technology status, innovation creativity, business planning capabilities and the need to involve employees at all levels will be the focus in this section. While we could not influence the larger picture, there is a lot that we can do internally in a system or an organization to make it effective and addressing the need for change.



Marketing Dimensions

- Dr. P. M. Kelkar

The global meltdown has had a severe impact on all functional areas of management and marketing is no exception. Peter Drucker said that, "Marketing is the prime function of management." Hence, if markets for products or services shrink or marketing strategies are not receiving the right responses, the top line and bottom line of business may suffer. It is necessary to ensure that even during the recession the top line should be able to sustain the impact of the middle line (cost) and resulting positive bottom line. Thus, the message for marketers is to ensure that there is a surplus that emerges on account of sales.

Marketing policies of companies need to be revisited on account of product policy, price policy, promotion strategies and location considerations for marketing activities. This goes back to the fundamentals of marketing viz. Philip Kotler's 4Ps. Bringing the services sector within the fold of business we also need to account for processes and people. Products need to be revisited and new approaches to managing product lines have to be evolved. There is a need to rationalize the product lines and avoid superfluous subdivision and fragmentation of markets. Product differentiations through narrow niches have to be seriously thought of for their viability in the present circumstances. The 80-20 principle is always at work boom or recession. Such a rationalization of product lines will help to protect the bottom line and improve the middle line. If the top line is adversely affected, the companies can still survive the onslaught of recession. Further, new products which can be launched as part of creative and innovative marketing should come to the fore to enable business to survive happily during the recession. For example, the electronics giant Philips is all set to change its image of being a high-end electronic player by launching a range of lanterns for the rural and semi-rural markets in India. Philips has planned solar energy and LED types that not only offer solution for lighting homes in places where the grids are unreliable but also enable to solve problems by replacing traditional lanterns that emit smoke and fumes. Philips has redefined the market segment and has developed a new version of state-of-the-art products and migrated from purely metropolitan markets to rural mass markets. It is a paradigm shift of this nature which is required to successfully sustain the outcome of this slump.

Further, new markets, new segments, new niches need to be identified so that business enter into new forays. Price policy is the next important aspect to be managed. Price is always a lever which balances the demand for and supply of goods and services. When demand exceeds supply, enterprise can hope to charge total cost plus policy. However, in recession or slump, there is a need to align prices to purchasing powers and mood of the customers. Hence, pricing policies need to be revisited and total cost plus policies may have to be substituted by variable cost plus policies. This is not happening in many markets particularly in India real estate market. Defiance of simple laws of economics by marketers who assume irrational behaviour even under dire circumstances may be counter productive.

Promotion policies have to undergo radical changes keeping in mind the cost factor. Promotions have to be viable, effective, simple and within the relevant budget when selling price is not in favour of the entrepreneur, market volumes are under pressure, margins can be improved if and only if costs are well managed. Newer ways and means of reaching more and more customers in decreasing reaction times is the key to successful marketing. Location considerations are also important both for production and marketing while manufacturing aspects are being dealt with separately in another presentation. Marketing managers have to identify new markets and new products to meet the circumstances in which the business has to carry out its marketing programmes and sales turnover. Keeping the context of what is said above marketing management in the current meltdown identifies the following issues:

- There is pressure to optimize or even cutback the marketing expenses. Actually, this can be considered as a great opportunity to fundamentally alter the processes and capabilities to infuse innovation and energy into marketing setups.
- Developing world has to look for alternative sources of demand to sustain their growth rates in coming years.

- Accountability for results has to be built into partnership contracts through means like variable payments, KPI-linked payments linking agency remuneration with assessment of media campaign effectiveness, performance-linked spend analysis and assessment of media campaign effectiveness.
- Marketing teams still rely on traditional print and TV media but there is growing need to apply new media strategies in order to reach target segments effectively. The non-traditional media like targeted SMSs, web-portals and search engine advertisements have to be explored along with attempts to build capabilities in new domains.
- The challenge is to balance between short-term and long-term, between efficiency and innovation. Leaders have to maintain a long-term perspective and in this collaboration can be a better substitute for investment.
- Customer requirements and expectations are conditions that must be met or exceeded in order that customer accepts the value proposition. Technology can play a role in customer retention. CRM and business intelligence are the tools to drive the business.
- Since current slowdown is unlike anything seen before, the solutions are also unlike anything done before to be able to come out on top. The thinking has to be in terms of customer pull instead of supplier push.

The marketing manager meltdown mantra is Innovate! Ideate! Improve!



Human Resources Dimensions

- Dr. Guruprasad Murthy

The human resources dimension is one of the most important issues that have emerged on account of the global meltdown. The great depression had its own tales and woes to experience. Such tales are being recalled and retold. This shows the magnitude of the impact of the global meltdown. People in the US have been shaken badly because of the sub-prime crises and the way it exploded (September 2008). Even in the UK because of failure of banks and financial institutions, the country and the people are badly shaken up to the prevailing and impending woes of one of the worst episodes in economic history in recent times. This is also true in other parts of the world. The global meltdown is thus testing the patience, perseverance, and above all the resilience of the human race of current times.

At the corporate level, HRD specialists and HRD managers are trying to come to grips with the emerging scenario since September 2008. In fact the situation is going from bad to worse, Loss of jobs to the employees is a part of cost management strategy to the employers, is affecting the lives of hundreds and thousands of people. The burden of establishment expenditure of organizations is proving fatal in many companies, General Motors being one example. Even the Government is recruiting temporary staff to have flexibility in managing the wage bill. This is creating a serious social problem along with all its delinquencies. For every one person who loses a job at least two are affected. The future of those affected is for the time being 'sans' direction. In the circumstances it is a challenge for corporates, in fact for society at large, to address the impact of the global meltdown i.e. loss of jobs, diminishing purchasing power, reactive mindsets, delinquency driven environment like hitting the bottle, suicides, increase in crime rates and so on. Further, the mood is cynical, pessimistic and depressing. In a downturn, the staff lose trust in employers and the values of the organization come under pressure. Hence, corporate HR policies are trying to evolve state of the art HR policies to accommodate people as far as possible. However, corporates cannot survive if the bottom line is not sharp and positive in terms of margins and profits. In spite of being seized with the adverse impact of the loss of jobs, six companies have gone ahead with downsizing resulting in loss of 70,000 jobs (27th January, 2009) including Pfizer, Sprint Nextel Corp., Home depot (home improvement retailer). BT has sought to save overheads by encouraging home-working as it is increasingly sensed that

significant economies can be made by changing the management practice to measuring output of staff rather than time spent in office.

The melt down is also having a toll on the mental health of people or those who perceive that the pink slip is hanging over their head. There is an increase in demand for medical services due to physical and psychological ailments. In several industries all over the world downsizing is in the pipe line for various reasons - lack of effective demand, investment projects being shelved, inadequate quantum of capital, bankers' resistance to lend and a general mood of pessimism and lack of confidence .The stress at the work place is aggravated because certain employees have been benched. They may be impending target of the downsizing process. The proactive dimensions of HR policies include the following retention of employees to nurture and encourage the talent , augment training and development activities , redefining job roles and positions to suit the specific needs of a firm or a industry, providing opportunities for continuing, higher education, taking a paternalistic view of employees so that the employer and employees tide over the crisis jointly, identifying business opportunities in terms of new markets and new ways and means of doing business so that the prevailing levels of work force is gainfully employed even during the bad times. The industries can resort to other effective means to save jobs such as relocating the employees, counselling, multiskilling, training, value streaming, pay deferral, and so on. Many employees who were in great demand just a few months back have now to literally bow down to the fact that the demand for their talent no longer prevails at the esteemed historic price. This is creating awkward positions, in fact trapped situations, for highly qualified and talented staff particularly in the IT sector. In the ultimate, it can be said that by and large at the corporate level recruitments are on hold. Good talent is easily available. Retention of star performers is as usual difficult. Once again even in the recession, getting the right people is more than a necessity - they are inevitable. Performance evaluation has revised stringent benchmarks adding to organizational stress at all levels in the organization. Leadership style is being questioned. This runs contrary to proactive HR policies though most companies are trying to be transparent and communicative with their employees. According to Martin Goodman, director of a HR consulting firm, HR in such times should focus attention on key capabilities needed while maintaining the picture of the future resources and best ways of securing them. Also, the path of maximizing success can only be to win confidence, motivate and inspire people with straightforward messages that emphasize a strong future vision with honesty and integrity. There are many lessons to be learnt from the said global meltdown for countries, corporates and citizens. In the overall context the world has to realize that we are all connected. The world is a global electronic village and global decoupling is over. Thus countries of the world have to sink or swim together. The second lesson is about the US economy. Over a long period of time consumption in the US exceeded the income and the deficit has been financed by rising home prices, plastic money and dis-savings in many cases. It is said that overleveraged Americans should take a break. Third lesson is that people have lost confidence. In fact they are shattered. Bankers, for example do not trust each other. The crisis of confidence and trust has to be tackled upfront. The ILO has a special advice to offer which includes a humane approach to management of human resources. Thus the ILO report says that nearly 90 million new jobs are needed in 2009-10 to absorb new entrants in the labour market. According to the ILO the new market "stimulus packages lean heavily towards financial bailouts and tax cuts instead of job creation and social protection." The G20's approach may be counter productive from the employment perspective. Unless jobs are created 2009-10 may be a total slump period with a constant recall of the days of great depression. To quote a newspaper report - "The ILO institute conducted a study of economic rescue efforts in 32 countries including all members of the G20. Only half of the countries examined have announced labour market initiatives and among those, the resources allocated to these measures are relatively limited" (ILO Institute Director Raymond Torres). Managing HR successfully is the greatest challenge of the global meltdown.





Dr. Guruprasad Murthy

Dr. Guruprasad Murthy, M.Com(Bom), Graduate of ICAME (Stanford,USA), Ph.D., LL.M. (Criminal Law), and Associate Certified Fraud Examiner (ACFE), USA, former Professor Director of Jamnalal Bajaj Institute of Management studies, University of Mumbai and also the former Principal, R.A.Podar College of Commerce and Economics, Matunga, Mumbai and founding Director of Dr. V. N. Bedekar Institute of Management Studies,(Thane) Presently, Dr. Murthy is the Director General of Dr. V. N. Bedekar Institute of Management Studies.(Thane).

DR. Murthy was a NRI working for Emirates Airlines, Dubai (1994 to 2001). In addition, Dr. Murthy was a visiting professor in IIM Ahmedabad. Presently, he is also a visiting professor in different Management Institutes in India, including S. P. Jain Institute of Management and Research and many other Management Institutes in different parts of the World.

An eminent management expert and noted authority in Finance and Accounting, Dr. Murthy is a well-known author, researcher, teacher and management consultant to several public and private sector organisations, including the World Bank, all over the World. He is a prolific writer and has several books and research papers to his credit. He has won several national and international awards for his contribution to management from time to time viz. Tarneja Award 1978, Escorts Award (DMA) 1980, BMA Award 1990, Association for Indian Management Schools (AIMS) Award 1991, Gujarat State Consumer Protection Centre Award 1993.

In 2006 he was conferred with the Life Time achievement Gold medal by Indian Solidarity Council, New Delhi and The Rashtriya Vidya Saraswati Puraskar award by International Institute of Education and Management Delhi for outstanding achievements in the chosen field of activity.



Dr. Vishnu Kanhere

Dr. Kanhere is a practising Chartered Accountant, a qualified Cost Accountant and a Certified Fraud Examiner with a brilliant academic record having won several gold medals and awards. He is certified in the Governance of Enterprise IT CGEIT (USA), Certified Information System Auditor and Certified Information Security Manager. He has stood first in All India Intermediate & Final ICWA and second in the Intermediate and Final CA Examinations. He was awarded PhD in Management from Jamnalal Bajaj Institute of Management Studies, University of Mumbai for his pioneering research on Software Valuation.

Dr. Kanhere is an expert in fraud examination, information systems security and system audit. He is also an ISO 9001:2000, QMS and ISO 22000 FSMS lead auditor. His specialties include fraud examination, system audit, information systems security, direct and indirect taxes, internal auditing, accounting, financial management and project planning, His academic achievements and “hands on” working experience reflect the wide canvas on which he operates. He is the Chief Consultant for KCPL and heads a leading CA firm in Mumbai. He has considerable experience and has conducted internal audits, internal control manual and framework, fraud examination, financial and other controls, ITORS and DMA audits, information systems audit and security certification, consultancy and training programs for listed companies, leading banks and players from financial service industry and number of Government authorities, multinational and private organizations.

Dr. Vishnu Kanhere is also an expert in valuation with special emphasis on intangibles, intellectual property and brands. He has a deep insight into macro and micro economic issues and in the field of finance. He has contributed articles and spoken at seminars and on the radio about economic issues in depth. He has been involved in business valuations, valuations for merger and acquisitions and for IPOs. He has written the **first ever book** in the world, on “Software Valuation” published by Thomson Inc. He has several publications to his credit including chapter in book on Computer Frauds by Wiley published in January 2009.

A renowned faculty at several management institutes, government academies and corporate training programs, Dr Kanhere has been a key speaker at national and international conferences and seminars on a wide range of topics and has several books and publications to his credit. He is a CPE resource professional and **peer reviewer** for the Institute of Chartered Accountants of India.

Dr. Kanhere has also contributed to the National Standards development on Software systems as a member of the Sectional Committee LITD17 on Information Security and Biometrics of the **Bureau of Indian Standards, GOI**. Dr. Kanhere is currently **Member Publications Board** and Balanced Score card focus group of **ISACA, USA, Newsletter Editor and Standards coordinator** of ISACA Mumbai Chapter, **Honorary Secretary** of the Computer Society of India, Mumbai Chapter, **Convener** of Interest Group on Security and Chairman of WIRC of eISA and **Convener** of Security Committee of the IT Cell of Indian Merchants' Chamber among other affiliations.

Dr. Kanhere is an independent director on the Board and member of the Audit Committee of two large listed companies and founder trustee of IEMAR & IFE.

Dr. Kanhere is the recipient of the prestigious Bharatiya Shiromani Puraskar awarded by the Institute of Economic Studies, New Delhi, for the year 2009 for enhancing the image of India through his outstanding contribution in his chosen fields.



Dr. Siddhan Subramanian

Dr. Siddhan took his PhD in Organic Chemistry from the Indian Institute of Technology, Chennai (1976) and has over three decades of experience in Research & Development, Quality Management, New Business Development, Sales / Marketing.

He worked in Regional Research Laboratory at Hyderabad, later with Suhrid Geigy Pharmaceuticals, Clariant Chemicals (India) Ltd. and Arch Pharamlabs Ltd. He headed the Indian operations of Life Science Chemicals and Functional Chemicals division.

He has been interacting with the students and has been associated with Vidya Prasarak Mandal, Thane for nearly two decades in designing courses, lecturing as a visiting faculty and as member of governing body of its technical and management education.

He is involved in collaboration with European academic centres of excellence with a view to bringing improved quality of education to students in the area of innovation, technology and IPR.

He is in the Board of a few MNC and Indian Companies as Technical Director and Business Advisor on strategy, growth, talent management and Systems.

His hobbies include jogging, swimming, reading, solving cross word and both Indian and Western Classical music.



Dr. Prabhakar Kelkar

Dr. Kelkar is a highly qualified professional with 29 years of technical and managerial level industrial experience in three multinational companies. This includes lab scale Drug development, Pilot to manufacturing level process scale-up, Quality Assurance & Regulatory Affairs including FDA Licensing of drug manufacturing operations, GMP compliance & audits, Process improvements, Vendor quality certification, Quality systems compliance, Finished product release & Total Quality Management.

He has in-depth knowledge of advanced production methods and quality monitoring tools. He also has an experience in developing analytical methods for in-process controls and is proficient in troubleshooting plant scale processes for enhanced safety, quality and productivity.

He has extensive knowledge of safety, industrial hygiene, and environmental experience aspects of business at the Corporate level. In J & J, he spearheaded a group that worked on using TQM as a business development model. He is an effective communicator with honed problem solving, analytical and organizational abilities. He has been a Co-Chairman of Quality and Safety committees of Bombay Chamber of Commerce and Industry, member of ASSOCHAM and American Chemical Society. He has travelled extensively on a company business.

He holds 1 Indian Patent, 15 Scientific Publications & has made several presentations at various platforms. He was also responsible for Overseeing & commissioning of Medical Device Manufacturing Plants in India.

As the Director, his objective is to impart corporate culture in students and in delivery of management education at Dr. V. N. Bedekar Institute of Management Studies, Thane, India.

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