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BUSINESS NEWS

By **Srikruth Reddy-BBA 'F', 1st year**

'US' and Them

India is looked at, as a promising investment hub around the world, but not without a few stipulations. In a detailed report released on 21 July by the US State Department, it noted India's measures to liberalize foreign direct investments (FDIs). It also mentioned that the country "remains a challenging place to do business" because of its protectionist policies.

This raised concerns about the data protection bill, added to this, it also flagged India's new IT rules, which have wide-ranging ramifications for digital businesses operating in India. Despite the Invest India program, which regulates all foreign investment with a view to make it smoother, the US government feels that these processes can be non-transparent. Some government policies are written in a way that can be discriminatory to foreign investors or favor domestic industry

The US considers India an important trade partner in the region, an emerging market with great investment potential. As of 2019, US investments in India amounted to \$45.9 billion, an increase of over 8% from the previous year.

First of its kind!

On the first day of competition in Tokyo, the International Olympic Committee (IOC) awarded the Games of the 35th Olympiad in 2032 to Brisbane.

Until recently, cities which wanted to host the Olympics had to put together costly proposals and compete with other cities in a bidding process that ended with a vote by the members of the executive board of the IOC. This process led to out-of-control costs, "too many losers," and "aggressive lobbying," the IOC admitted.

Under the new selection process, a period as early as 11 years before an Olympiad, two "Future Host Commissions" made up of interested parties in the world of sports and the Olympic movement launch informal and confidential exchanges with potential host cities.

Later they run "feasibility assessments," which "highlight opportunities and challenges," make sure the costs are manageable, and that construction plans are in line with environmental and human rights standards.



BRISBANE 2032





A Global abuse of cyber-surveillance weapon!

Human rights activists, journalists and lawyers across the world have been targeted by authoritarian governments using hacking software sold by the Israeli surveillance company NSO Group, according to an investigation into a massive data leak. The investigation suggests widespread and continuing abuse of NSO's hacking spyware, Pegasus, which the company insists was only intended for use against criminals and terrorists.

Pegasus is a malware that infects iPhones and Android devices to enable operators of the tool to extract messages, photos and emails, record calls and secretly activate microphones. The leak contains a list of more than 50,000 phone numbers that have been identified as people of interest by clients of NSO since 2016. The identities of those people whose number appeared on the list include hundreds of business executives, religious figures, academics, NGO employees, union officials and government officials, including cabinet ministers, presidents, and prime ministers.

A Global Expansion!

After a decade of groundbreaking EdTech in India and garnering 100 million users globally, Bengaluru-based BYJU's seems to be making an interesting move by focusing on the American market. On Wednesday, July 21, BYJU's announced that it plans to invest \$1 billion in the North American market to accelerate its growth in the next two years. BYJU's has started its American expansion plan with the acquisition of US-based digital reading platform Epic, which focuses on kids under the age of 12, for \$500 million. Epic runs on a subscription model that gives classrooms and families unlimited access to thousands of books, videos, and quizzes.

Taking a step forward, BYJU's has launched its learning app featuring Disney characters to the US last month. The company also acquired educational game system Osmo two-years-ago, which has now scaled about four-times, as per the press note by BYJU's. Notably, BYJU's is currently the most valued EdTech startup in the world and the highest valued Indian startup.

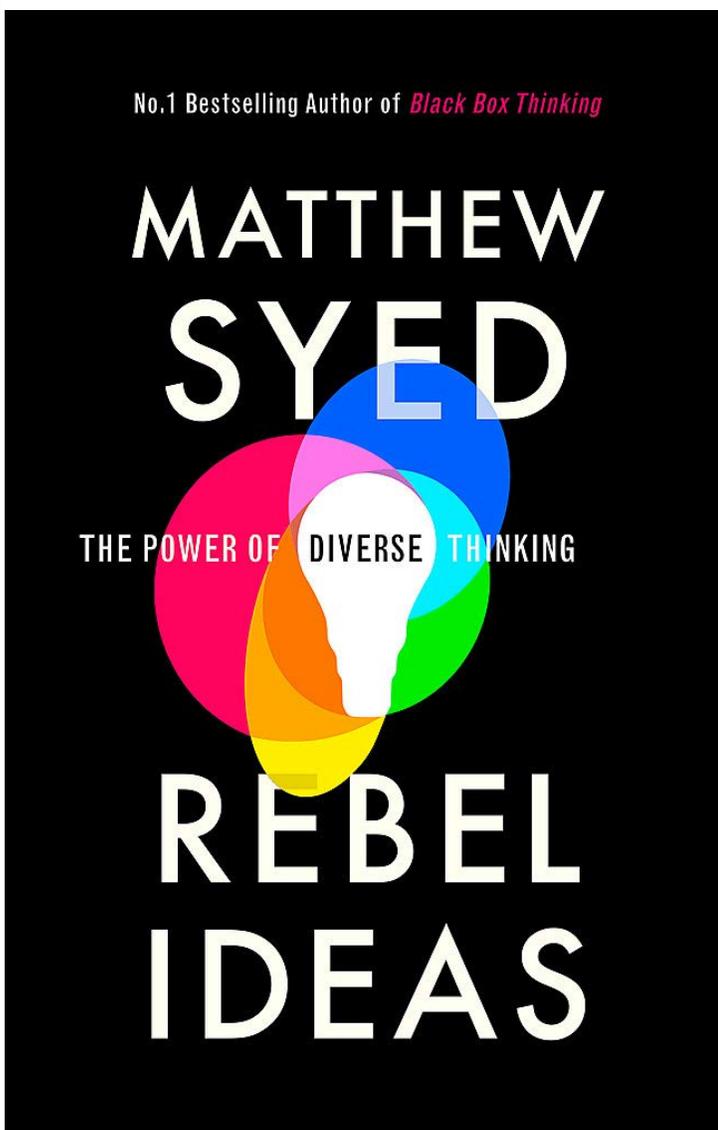


epic!

Book Review

REBEL IDEAS: THE POWER OF DIVERSE THINKING

By Catherine Gerard-B.Com 'A', 1st year



Cutting-edge research in different disciplines like psychology, economics, and anthropology shows the competitive advantage that diverse thinking has over talent, knowledge, or skill. Cognitive diversity is the order of the day in today's world. A series of chapters in *Rebel Ideas* by Matthew Syed explain collective blindness, the cloning of ideas, constructive dissent, innovation, echo chambers, and finally the need to see everything from a broader perspective. From the perspective blindness of the CIA during the 9/11 attacks to the management aspects of Google's office, he discusses a variety of examples. He doesn't just address the problems in different organizations, but he also provides solutions.

As for collective blindness, he states that gathering the best and brightest and putting them in a team would allow for successful idea generation. However, what is problematic is that they all think similarly. They will bring along the same ideas. It is primarily through our own experiences and learning that we construct our values and ideas. A group of people from similar backgrounds results in perspective blindness. As a result, most of us are unaware of our blind spots.

CIA could have prevented the 9/11 attacks. The all-white CIA was unaware that a simple man in simple clothes could be trained and educated. Bin Laden was a strategic thinker. Looking at Osama Bin Laden's appearance and the destination of his video threat send to them, they refused to accept the threat. In order to deceive the Muslims, he posed as a Prophet while at the same time looking backwards for the white people. Bin Laden's threat video would have been

Slowly, the organization that once had a team of rebels with diverse cognitive abilities and intelligence will become more like the clone-like team we saw previously. Their thought processes start to converge with their manager's. Syed introduces the concept of prestige here. How is prestige different from dominance? Prestige refers to a social status where things are done with respect, social modeling, and liking towards their managers. Respect is freely given to prestigious managers without them asking for it. They listen to their diverse ideas and learn from them and in addition, they guide them through the right path. These two are different techniques for management.

Empathy and sharing information are hallmarks of prestige. The author also talks about innovation. Innovation can be divided into incremental and recombinant. Continually gaining knowledge in the same area of study is incremental innovation. There are no other alternate views for this type. However, recombinant innovation occurs when two different ideas are merged into one solid solution that incorporates all viewpoints. We would be able to discover new innovations in the future that we do not yet know about.

By sharing ideas, the chances of success in recombinant innovation are multiplied. Regarding echo chambers, it is true that we select the top universities, get degrees with the best faculty, and hire the same students for the same jobs. Echo chambers isolate us from outside perspectives and thoughts since it isn't what we're taught, and we undermine the alternative views that differ from our own. In universities and schools, textbook knowledge is what we run on, not diverse thinking.

Often, we get stuck in a paradigm. It is best to look at social media as an example. Since most people follow whatever, the intellectuals preach without researching or finding out the opposing views. Social media becomes the echo chamber, where they all echo the same views because it's comfortable and feels right. In this chapter, the author explains that we should consider opposing views and compare them until we reach a final decision. There is always something to discuss when opinions are polarized to see what's right.

Further in the book, he discusses how setting standards for everything from schools to workplaces can sometimes squash diverse thinking. As a result, we are molded by management to think and act in a particular way. The flexibility to think how we truly want to think will inspire more *rebel ideas*. Rather than retaliate completely against standardization, the author calls for a greater degree of flexibility, although it should be controlled as well so it does not spiral out of control. In summary, the book shows us that homogenous groups perform poorly in predictable ways. In the realm of rebel ideas, we learn how to succeed by seeing things from a wide range of perspectives or from a higher vantage point, and by taking a qualitative look at the situation as a whole.

Famous Personalities



THE IRON LADY OF BANKING SECTOR

By *Hrithvika Ravishankar- B.Com 'A', 1st year*

Today we focus on, she who made a name for herself in a male dominated society and, the woman behind the success of ICICI bank. We have various women from across India who have achieved enormous success in their life, but this woman has always inspired us, and it is none other than Chanda Kochhar, a living inspiration for today's women.

Kochhar was born and brought up in Jodhpur, a brilliant student who completed her schooling from St Angela Sophia School in Jaipur, and her bachelor's from Jai Hind College in Mumbai. She also has a master's degree from the reputed Jamnalal Bajaj Institute of Management Studies. Kochhar received a gold medal for her academic performance and J. N. Bose award for cost accountancy. Women have always worked in India, but in the last two decades there was a rise in corporate women towards the banking sector, which was phenomenal. ICICI bank is seen by many as a training ground for many ambitious women. The bank has nurtured and created a whole lot of successful women.

"There is no substitute for meritocracy and there is no substitute for hard work" says Kochhar.

Chanda Kochhar joined ICICI bank in the year 1993 as the managing director handling projects from different sectors like cement, petrochemicals, paper etc. In the year 1994 Kochhar was appointed as the assistant general manager. In 1996 she got appointed as the deputy general manager, in the same year she was appointed as the head of the Infrastructure Industry Group. In the year 1999, Kochhar started handling the strategy and e-commerce divisions of the bank. In July 2000, under the leadership of Kochhar ICICI bank entered the retail business. She took up the responsibility to build emerging retail business focusing on the technology, innovation, adding up the distribution and taking the bank to the leadership position in its sector. In April 2006, she was appointed as the managing director of ICICI bank, while having the responsibility of both retail banking business till 2007 and international and corporate business of the bank. She also became the chief financial officer in the year 2007. ICICI bank's half of the balance sheet and majority of the profits were from corporate loans that time, but retail business accounted for less than 1%. However, under Kochhar's leadership it grew up to 67% in six years!

In the year 2009 she was elevated as the managing director and CEO of ICICI Bank. Under her leadership the bank has grown in leaps and bounds and became India's largest private sector bank. She drove ICICI Bank towards the growth which included numerous actions from her side, which had included approximately Rs 30 million integration with the bank of Rajasthan, doubling the number of branches from 1400 to 2500 across 600 cities from 2009-2011.

During her reign, the bank's gross non-performing assets (NPA) ratio had come down from 5% to 3%. In the year 2013, under Kochhar the bank took on the digital world launching an app, that allowed customers to track their accounts as well as money transfer. The following year ICICI Bank was the first to hit the 100million market cap. Also, ICICI Bank bought over 18 million unbanked people into the system. ICICI Bank became the largest private bank India under her leadership with total consolidated assets worth Rs 11,242.81 billion, as of 31st March 2018 and profit after tax worth Rs 67.77 billion for the year ended March 2018. ICICI Bank currently has a network of 4,867 branches and 14,367 ATMs across India.

Kochhar stepped down from the CEO post and announced her retirement in October 2018. As there were allegations raised against her which led to her downfall. The scandal centred around \$456 million loan issued by ICICI Bank to consumer electronic company Videocon industries. Kochhar was one of the most celebrated bankers in India and one of the most promising female chief executive officer of the country. For nearly a decade, various surveys called her world's most influential and powerful female CEOs. For many Indian corporate women Chanda Kochhar was the biggest role model. As per her, a leader should be like a sponge, who absorbs all the stress and should not let it fall upon the team as they won't be able to function efficiently.

Chanda Kochhar was one of India's financial icons who shaped the retail banking in India and was listed on the Forbes 100 most powerful women in the world in the year 2017. She was the recipient of Padma Bhushan award the highest civilian honours, she was a firm believer in hard work and determination. A big dreamer all along, and she is one of the most monumental inspirations for every young woman in the corporate world and entrepreneurs as well. Kochhar gives credit to her family, for their immense help in maintaining a work life balance. She also praises the Indian society for having a good parent ecosystem.



WHY SOME STARTUPS SUCCEED & SOME FAIL MISERABLY

By **Nitya Jignasu-B.Com 'A', 1st year**

The founder is the driving force of any start-up and in the early days will shape much of the business. Successful entrepreneurs, in particular, are conscious of their flaws and how to fix them; as well as the extent to which they will require the assistance of others and form a team. Most of the start-ups have succeeded with the strong management teams. Having the best idea in the world can get one nowhere if one doesn't have a strong team which will help execute it.

One such example is Byjus. From working in a UK based shipping company as an engineer, Raveendran Byju went on to teach a couple of friends for their exam and eventually taking math workshops for 20,000 students and addressing packed auditoriums.

Today Byjus is one of the leading EdTech companies, with a strong content team, media team and technology team, adding up to a 500 member product development team. Raveendran Byju believed in targeting a student specific audience as most of the students lacked conceptual clarity and proper foundation. Today Byju's has an estimated net worth of \$16.5 billion, making it the world's most valuable educational technology company. BYJU's – The Learning App was developed by Think and Learn Pvt

Ltd, in 2015, acquiring over 5.5 million downloads in just one year. The success of the company was having a specific targeted audience and the strong implementation of the idea that helped students learn and understand concepts via video based content.



Implementing a business idea with enough market demand for it will surely guarantee success. Some of the best market demanded start-ups are Airbnb and Uber. Airbnb is the story of how 3 guys went from renting mattresses to building a \$10 billion company. Many smart investors thought that people would not rent out a space in their home to

complete strangers. One of the reasons the start-up succeeded aside from a good business model, a good idea and great execution, is the timing. It came out during the height of a recession when people really needed the extra money which helped them overcome their objection to renting out their own home to a stranger.

Uber is an exceptional example, with an incredible business model and great execution, the timing to launch the business was perfect. They were able get more drivers into the system, who were looking for extra money.

Timing may be a factor but assessing the best time to launch by understanding the market is the biggest problem successful start-ups have overcome. Much like Facebook which was launched as an internal social networking site for Harvard students, expanded its reach to other universities and later on became a worldwide social networking giant. The success of all the above companies is an alchemy of a solid

plan, persistence, perseverance, guiding mentors, flexibility, a world-class team and a systematic process to plan, commit, track results, promote accomplishments and raise the necessary capital.

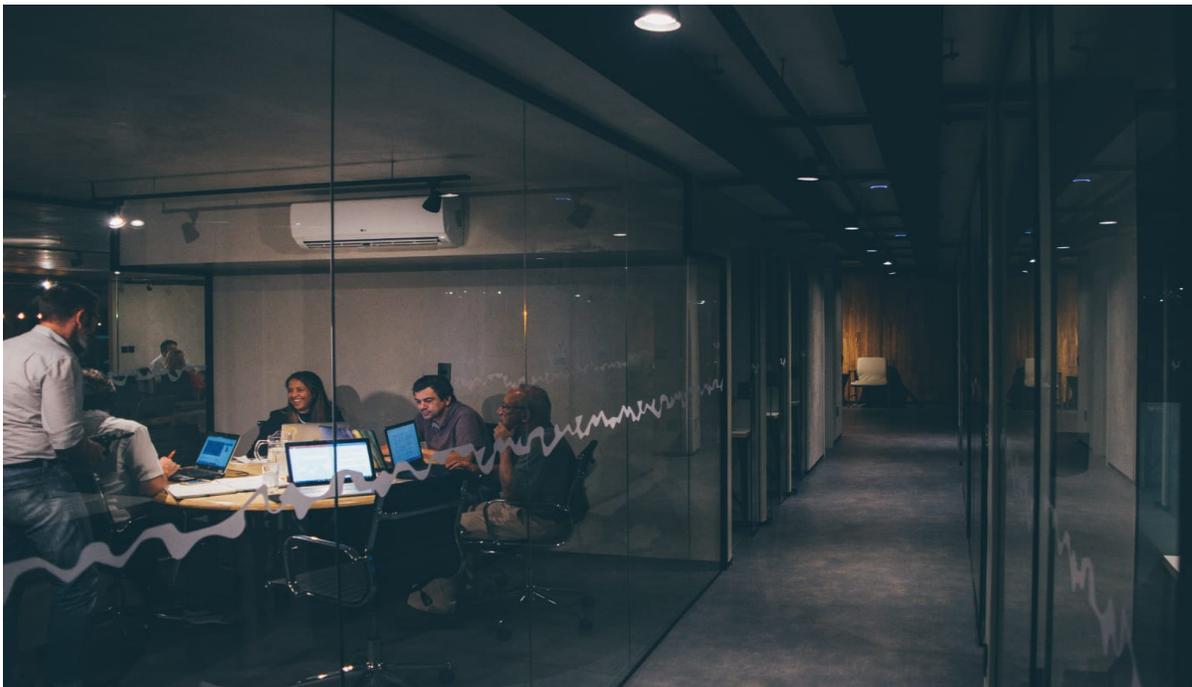
The reasons for failure of a start-up is due to the negligence of leadership at some level. Most of the start-ups are doomed to fail from the very beginning due to the lack of adequate market research, inability to manage the funds, not having a good team, lack of a business model, poor marketing skills, not being able to compete in the market, or ignoring the customer's demands.

One such example of a start-up which failed to tread carefully in the market was Homejoy. Homejoy was a platform which aimed to provide independent professional cleaners to clients at a fixed rate. It started with a funding of \$38 million in 2013 with the expectation that the large investment would see a promisable return in time. It grew fast; within half a year it had branched in over 30 cities. To attract customers, the services were offered at a discounted rate, which made the growth stage expensive. The reasons which led to the downfall of Homejoy were the costly promotional offers which were made in the initial growth phase; second, the expansion was too forced and the rapid growth did not help the company stabilize. Finally, the independent cleaning contractors did not receive the needed expertise in training.

Additionally, Z.com was an online entertainment company; it had a great business model and had signed great Hollywood talent to join the company. But broadband penetration was too low in 1999-2000, it was too hard to watch video content online and the public had to put codecs in their browsers to stream content. The company eventually went out of business in 2003. Two years later the codec problem was solved by Adobe Flash and when broadband penetration crossed 50% in America, YouTube was perfectly timed. YouTube didn't even have a business model when it first started, in fact it wasn't even certain that it would work out, but it was beautifully timed which led to its incredible success. For a successful start-up the entrepreneur should have undying passion and motivation which fuels the urge to become a successful company.

However, both the success and failure studies show that you need leadership in the company with general and domain-specific business knowledge to be successful.

Looking at the reasons for failure and the factors for success, it is clear that commitment to a business plan is the key.



ALUMNI INSIGHTS: A FINANCIAL REALM

By **Mukulika Sahoo** (BBA Batch of 2011)

The financial world is buzzing over strategies in-and-around the stock markets. This roulette table is spinning at its best and if you're wondering that's the thrill all about, here's some perspective towards the stock market and its complicated relation with the present Indian economy.

So, let's start with a tiny example:

Let's say, ABC Manufacturing Co., decides to expand its existing business in 10 cities, however, the company does not have sufficient funds to start these 10 units. The company's management decides to reach out to the public for raising funds (equity through Initial Public Offering- IPO) by listing the company on the stock exchange(s). Equity buyers (shareholder/stakeholders) benefit in terms of holding a certain share/stake of the company and receiving dividends as and when the company distributes profits. As ABC Manufacturing Co. starts performing well, potential investors who perceive the company as a good buy, often offer a higher price (market price) in exchange for owning the stocks from an existing shareholder. Throughout the company's life (as long as it is listed), new buyers invest in the company keeping future growth and return in mind, while the existing shareholders sell in exchange of profit booking. Imagine this for millions of companies, involving a million more buying and selling shares every day, that is the simplest understanding of the stock market. While there are a lot more things that happen in the stock market, let's understand this basic model and its essence in economics.

From an economic standpoint, the stock market is a part of the economy. Stock indices are crucial considerations while deriving perceptions around a country's economy.

For instance, the current financial year 2020-2021 on a bigger picture has two aspects:

A) The pandemic year has disrupted certain businesses (relevant in industries like manufacturing, food, hospitality services etc.) and boomed certain other businesses (most relevant in AI-tech companies, online business modules, e- shops, e-learning etc.). Work from home has had a huge impact on the consumer market. Household trends showed lower spending trends. Lower sales have led to lower consumption, which in-turn has dropped revenues and production. A number of workers lost their jobs as a number of businesses requiring physical human presence did not need the full force to work. The chain of events is a part of an economy that is not at its best. On the other hand;

B) Stock indices are soaring high. While households might reflect a conservating buyer mind-set, people at large are investing their savings in stocks, with the anticipation of future returns (be it short or long termed). This is leading this segment of the market into speculative trading/investing trends.

As an example, let's go back to ABC Manufacturing Co., a top-performing organization like ABC Manufacturing Co. right in the middle of the pandemic has dropped manufacturing by 20% due to low domestic demand, the management decides to lay-off additional staff and cut-down non-critical processes at workspace. However, their stock prices are still trending high on the stock exchange (i.e., market value of the stock is higher than its intrinsic value). One can identify a financial bubble arising if the magnitude of such a scenario is well assessed.

While most of the investors are excited to see their money grow, financial experts anticipate an imminent market crash. In the current market, seasoned investors/traders book profit or square their positions while taking advantage of the market value of shares being over and above their intrinsic value. What's crucial to note is that such gains are often *risky short-lived rewards*, and the market ultimately balances at the cost of someone else absorbing the shock that follows. Just like all other components that roll-up to the economy, the stock market is an enticing component of the economy.

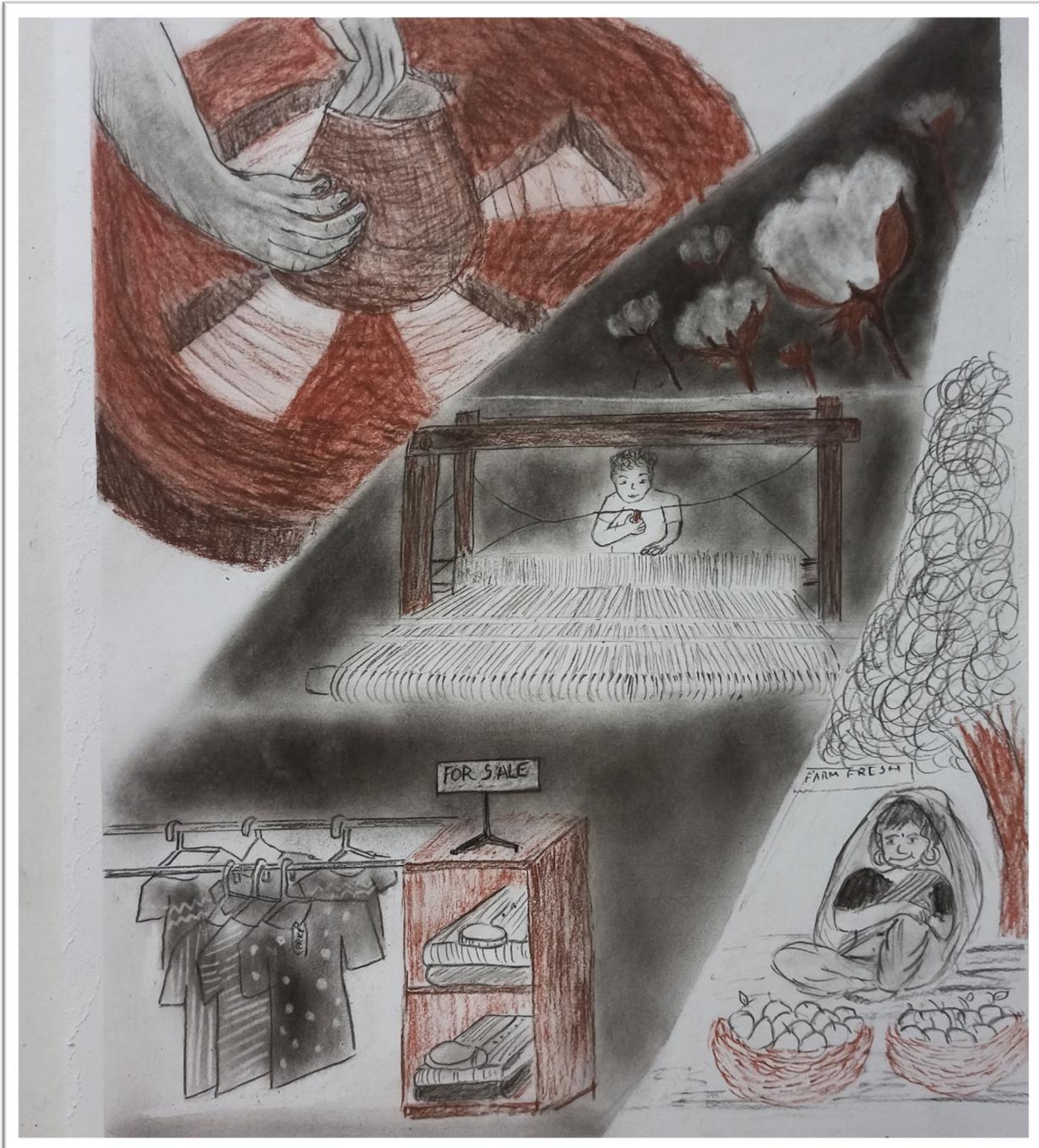


DOC PAINTING COMPETITION

2021 WINNER

THEME: ATMANIRBHAR BHARAT

NAME: SAHANA KAMATH A (MSC BUSINESS ANALYTICS, DOC, MAHE)





FEATURED ARTWORK

By Valeesa DSilva - B.Com 'A' 1st year

CITATIONS

Business News

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