

managementVoice

(A Thrissur Management Association Publication)

A NEW YEAR, A NEW BEGINNING!



Inaugural Event of TMA Activities 2020-21 & National Webinar on "Creating a Self-Reliant Indian Economy" with Mr. David Rasquinha, MD & CEO of Export-Import Bank of India



Launching of the book "Stock Market Wisdom" authored by CA T S Anantharaman (Former Chairman CSB Bank & Past President, TMA)



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Design & Layout: Sanmayan K. L.

Editorial Assistance: Subin Joseph

Regd. Office:

Reg No. 32/90,

Thrissur Management Association

7/344/19, Surya Gramam

Kizakkumpattukara Road

East fort, Thrissur, 680005

Phone: 9895760505

Email: tma.tcr@gmail.com

Web site : www.trichurmanagementassociation.com

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Note: *Management Voice* solicits original articles (published/unpublished) from its members. Kindly email your contributions to The Honorary Secretary at tma.tcr@gmail.com with "Article for TMA Voice" in the subject line.



From The Chief Editor



A new team, a new beginning

A new team of office bearers led by Dr. V.M. Xaviour (President) has taken charge of TMA and, on behalf of the editorial team at Management Voice, let me begin by wishing them the best of success in the coming year.

The transition has been smooth, so much so that TMA's activities continued apace without even a hint of a pause. And so, the past couple of months have been packed with important events, as will be seen from the various reports carried in this issue. In this context, please do read the President's Message in which he has spelt out his priorities and set out the direction for TMA in the coming year.

Inside this issue

We have lined up some interesting reading for you, with a host of contributions from members, some of whom are making their appearance in these pages for the very first time.

In our regular "Policy" column, TMA's Past President and the MD & CEO of Manappuram Finance, Mr. V.P. Nandakumar, focuses on a recent RBI measure to promote gold loans in the country by allowing banks to lend up to 90 percent of the value of the gold jewellery. In the article, "LTV curbs on gold loans don't help", he argues that by restricting the relaxation to the banks alone (without making it applicable to NBFCs too), the RBI is effectively "punishing by exclusion" a vulnerable section of people who don't have access to banks (and therefore depend on NBFCs).

Mr. C.G. Rajeevan, a member of TMA's Managing Committee, has contributed a thought-provoking article on the rapid shifts underway in the field of management education. As he says: "Many industries have fundamentally changed, as have the consumers. Without a doubt, the various management paradigms that were successful in the past will be found wanting. There is a need to delve deeper into the readiness of the various stakeholders who are involved in developing new management students."

"Never underestimate" is the title of article contributed by Mr. Balagopala Kurup. What is the article about? Here is your hint in the author's words: "How often do we commit the common mistake of not realising the inherent strength and capability of the people whom we meet ordinarily, in the course of our day-to-day life? We see them as a lift-operator, Uber driver, courier messenger, newspaper-walla or a sales boy in the grocery shop. And we never take the time or effort to see them as full-fledged human beings with unique talents and skills. Very often, we do not even bother to find out their names."

TMA's reporter at large, Mr. V. Raghuraman, who usually interviews business leaders in Thrissur for Management Voice, dons a different hat this time. He has chosen to review the book, "Stock Market Wisdom – Lessons from a Lifetime in Capital Markets" authored by TMA's distinguished Past President, CA T.S. Anantharaman. He sums up the book in these words: "In some 24 short chapters and dozen annexures, the author has covered the entire range of stock market and discussed all important issues of investment in equities and mutual funds threadbare – both gains and pitfalls – and pointed out how despite the occasional scams, equity investment could still be the preferred one for all types of investors."

In the article, "Proactive Response Strategies to COVID-19 - Business Challenges" Prof. K.B. Pavithran argues that fundamental changes are afoot in consumer behaviour, supply chains and routes to market that are knocking companies off balance. However, even as uncertainty rules, it is possible to take back some control by protecting your company and taking better care of your customers and employees.

In our pick of articles from the HBR blog, we have Stephanie Nashawaty and Lisa Dalesandro DiChristofer writing about how the pandemic has hastened the pace of change and technological adoption. They say that "as the race to the Covid-19 vaccine taught us, where there's urgency, timelines can be collapsed, processes can be rethought, and people can become more accepting of change." We also have a brief but insightful piece by Morgan Housel titled "When Everyone's a Genius (A Few Thoughts on Speculation)" that is particularly relevant in these days of "irrational exuberance" in the stock market. His writing style is simple, direct, and totally bereft of jargon, not at all what you'd expect from a stock market veteran.

Finally, we also have the usual Secretary's report with its comprehensive record of activities of TMA during the last couple of months and the Business and Management Quiz. Also, a word of thanks to our sponsors whose advertisements have kept this magazine going.

Happy reading!

Ranjan Sreedharan,
Chief Editor

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Message From The President



Effective leadership is not about making speeches or being liked; leadership is defined by results not attributes.

Peter F. Drucker

Esteemed Members of TMA,

Indeed, it gives me immense pleasure and satisfaction on being appointed to the prestigious office of the President of TMA for the period 2020-21. This post was occupied by several stalwarts and management professionals from Thrissur and its environs. This is the first time a college professor has been elected to the highest post of Thrissur Management Association. It is your support and encouragement that led TMA to rise to the highest standards of excellence. I had the opportunity to associate with TMA in different capacities for the last several years. I expect your continued support and encouragements for the successful completion of my tenure as the President of TMA.

COVID-19 pandemic has taught us several new lessons. They are agility, digital transformation and work from home. Because of COVID-19, the office bearers for the period of 2020-21 took charge only in the month of November 2020. By the time, we were able to transform our activities digitally and we were conducting various webinars through online.

Many of the webinars and seminars were focusing on how to overcome the difficulties and agonies of the people and the business community during the pandemic and post-pandemic period. All the webinars were useful to the members of TMA, Student members of TMA and the public at large for restructuring their business models so as to find new opportunities in the business world.

We inaugurated the activities of TMA for the period 2020-21 by Mr. David Rasquinha, the MD and CEO of EXIM Bank. So far Six eminent speakers addressed the members of TMA. All the sessions were highly rated and garnered good attendance.

During the month of January 2021, TMA could bring the MDs and CEOs of South Indian Bank, CSB Bank, Dhanlaxmi Bank, ESAF Small Finance Bank, and Manappuram Finance Ltd. for the launching of the best seller book "Stock Market Wisdom" written by CA. T S Anantharaman. In the same meeting, we could honour our Vice President Mr. K Paul Thomas who has been bestowed the Global Sustainability Award 2020. It was one of the rarest gatherings TMA ever had in its history.

A lot of great people will be addressing the members of TMA during the coming months. Already Mr. Kris Gopalakrishnan (Infosys) has given his consent to address the members of TMA on 22nd February 2021. A budget analysis will be done jointly by TMA, The Chamber of Commerce and ICAI on 2nd February 2021.

All these achievements are possible only because of the strong and unique team of Office Bearers of TMA during this period. Er. Vinod Manjila, Mr. K Paul Thomas, Mr. Prathap Varkey, Er. Francis George and CA. Shaji P J are the vibrant office bearers of TMA for this period. We also

got the services of CA. Geo Job and CA. Manoj Kumar M as CEO and Student Chapter Convener respectively.

TMA will have all the horizontal activities during this period as usual. During this period, we have opened a new vertical under the leadership of Mrs. Meera Rajeevan for Women Leadership in Management. All the management committee members are actively involved in different capacities for propelling TMA to the next orbit.

This time, we wish to organise an Award Night where different scholarships and awards will be distributed to the winners. More and more MC members are coming forward for instituting various scholarships to the student community.

TMA is on course with its effort to collect a corpus fund of more than one crore rupees during this period. We also wish to increase the life memberships to 500. Most probably, by the efforts of some of our MC members like CA. V. Venugopal, Mr. P K Vijayakumar IRS, Dr. Krishnamurthy and CMA Madhu A.P., we will be able to achieve our targets.

I am very much obliged to our immediate Past President CA. Sony C L, Hon. Secretary Seejo Ponnore, Hon. Treasurer CA. Manoj Kumar M and past presidents and executive members of TMA for their valuable support and encouragement for bringing added value for TMA.

The activities of TMA are supported by our well-wishers especially the sponsors of the various programmes. They supported TMA by the advertisements in Management Voice and other events during this period. I thank all the sponsors for their generous support and expect their support for future activities as well.

Once again, I look forward for your continued support and suggestions to make our journey very smooth.

With warm regards,

Dr. V M Xaviour
President
TMA

Secretary's Report



Dear Member,

At the outset, let me express my sincere gratitude to each one of you for reposing the faith on me to be the Honorary Secretary of Thrissur Management Association. I humbly request and look forward to your support. I am delighted to present before you the **various activities of TMA during the period from November 2020 to January 2021**

Membership and Induction of New Members

The details of persons inducted to TMA during this period are:

Life members

- | | |
|----------------------------|----------------------------------|
| 1. Dr. Biju C.V. | 8. Dr. Biju Thomas Muttath |
| 2. Mr. Kuruppath Ajitkumar | 9. Dr. (Capt.) Suseela Menon |
| 3. Adv. T T Simon | 10. CA. Ragesh Parameswaran M |
| 4. CA Thomas Tony | 11. Lt. Col. Rajendrababu M K SM |
| 5. Er. Varghese M J | 12. Krishnaraj P |
| 6. Er. P.D. Francis | 13. Rashmi Madhu |
| 7. Dr. P.A. Damodaran | |

Annual General Body Meeting of TMA

The 30TH Annual General Body Meeting of TMA was held on 18th November 2020, through ZOOM Meeting. Around 60 Members attended the AGM. During the AGM, the new Managing Committee for the year 2020-21 was selected. New Managing Committee Members is as follows

- | | |
|-----------------------|-------------------------------------|
| 1. Dr. V M XAVIOUR | 10. Mr. SURESH P |
| 2. Er. VINOD MANJILA | 11. Er. M UNNIKISHNAN |
| 3. Mr. K PAUL THOMAS | 12. CS N R BAHULEYAN |
| 4. Mr. PRATHAP VARKEY | 13. Mr. C R RAJAN |
| 5. Er. FRANCIS GEORGE | 14. CA. JEEN PAUL |
| 6. CA. SHAJI P J | 15. Er. C G RAJEEVAN |
| 7. CA GEO JOB | 16. COL PRATHAP CHANDRAN |
| 8. CA. MANOJ KUMAR M | 17. Mr. P K VIJAYAKUMAR IRS (Retd.) |
| 9. Mr. SEEJO PONNORE | 18. Mr. K R RAJU |

TMA New Office Bearers for 2020-21

Managing Committee Meeting (Virtual) held on 18th November 2020, selected the following office bearers for the period 2020-21.

President: Dr. V M Xaviour
Vice President: Mr. K Paul Thomas
Hon. Jt. Secretary: Er. Francis George

Sr. Vice President: Er. Vinod Manjila
Hon. Secretary: Mr. Prathap Varkey
Hon. Treasurer: CA. Shaji P J

The Managing Committee also elected CA Geo Job as CEO and CA Manoj Kumar as the Student Chapter Convener for the year 2020-21.

Managing Committee Held on 23rd November 2020 coopted following persons to the Managing Committee for the period 2020-21

1. CA Sony C L (Imm. Past Pres.)	18. Mr. P M Jose
2. Er. N I Verghese	19. Mr. Sanoj Herbert
3. Er. Christo George	20. Mr. T Chandran IPS Retd.
4. Er. Anand Menon P	21. Prof K G Ravi
5. CA V Venugopal	22. Er. V S Prasannan
6. Er. M R Gopalakrishnan	23. Mr. T N Ramswamy
7. Mr. V P Nandakumar	24. Mr. Ranjan Sreedharan
8. CA T S Anantharaman	25. Mr. Surendran C G
9. CA K Santhakumar	26. Dr. P S Krishnamoorthy
10. Mr. V P Joseph	27. Dr. K C Prakashan
11. Er. C V Antony	28. Mr. Jose Sebastian
12. Mr. M N Gunavardhanan IAS	29. CMA Madhu A P
13. Er. C Achutha Menon	30. Dr. E G Ranjith Kumar
14. Mr. Padmakumar C	31. CA Satheeshan P
15. Mr. Murali Nair	32. Mr. Joy Joseph
16. Er. S N Prasad	33. Ms. Meera Rajeevan
17. CA T R Anantharaman	

TMA Managing Committee Meetings

During the period Three Managing Committee meetings were held.

First Committee meeting was held virtually on 23rd November 2020 through ZOOM

Second Managing Committee was held on 1st December 2020 & Third Managing Committee was held on 5th January 2021 at Hyatt Regency, Thrissur

Inaugural Event of TMA Activities 2020-21 & National Webinar on the topic “Creating a Self-Reliant Indian Economy”

Mr. David Rasquinha, MD & CEO of Export-Import Bank of India was the Chief Guest of the event. He addressed the members on the topic “Creating a Self-Reliant Indian Economy” via a webinar on Wednesday, 25th of November, 2020 at 6:30 pm IST.

He touched upon the history of the economic super-power of India centuries ago, how British colonization led to the economic decline, post-independence revival of its economy, and what should be done in the future to regain India’s economic glory. His captivating address was very well received by the audience.

Dr. V M Xaviour, President of TMA presided over the function, Er. Vinod Manjila (Sr. Vice President) introduced the new office bearers, Mr. K Paul Thomas (Vice President) introduced the chief guest & Mr. Prathap Varkey (Hon. Secretary) proposed vote of thanks.

About 100 members attended this event

ZOOM National Webinar

1. ZOOM National Webinar on “Coaching Leaders for Greater Effectiveness”

TMA organized a ZOOM webinar on the topic “Coaching Leaders for Greater Effectiveness” by Ms. Jyoti Balakrishnan (HR Leader & Executive Coach) on 9th December 2020. Around 100 Members were attended this event.

In the webinar, she spoke about her journey to becoming an executive coach, the tenets required for coaching, its importance and role in organizational effectiveness. Since executive coaching as common in India as it is in the western countries, the audience learned a lot from the webinar.

2. ZOOM National Webinar: Cultural Influences on Managerial Effectiveness: A Global Perspective

TMA conducted another Zoom session on the topic “Cultural Influences on Managerial Effectiveness: A Global Perspective” by Mr. Rajiv Singh (Managing Director - ISC cargo-partner (A Global Logistics Company) on 16th December 2020. Mr. Rajiv Singh was the guest speaker at the webinar. He is the MD - India for Cargo-Partner, an Austria- based privately owned, full-range logistics service provider with particular expertise in air and sea freight as well as information technology. He spoke about the cultural influences on decision making and managerial effectiveness from a global perspective. 80 Members had attended this programme.

3. ZOOM National webinar: ‘COVID Pandemic Management - A Vista for Strategic Management’

Another ZOOM Webinar on the topic ‘Covid Pandemic Management - A Vista for Strategic Management’ was conducted on 06th January 2021. Dr. Amar S. Fettle (Nodal Officer for COVID-19, Kerala Government) was the session speaker for the day.

4. ZOOM National Webinar ‘Success Criteria for Digital Transformation’

TMA has conducted another ZOOM Session on 13th January 2021 on the topic ‘Success Criteria for Digital Transformation’. Er. Sanjeev Namath (Chief Business Officer / Director, Alpha Ori Technologies Pte. Ltd., Singapore) was the Chief Guest of the day. Around 80 Members attended this fabulous event.

5. ZOOM National Webinar: Cyber-security for Individuals and Small Businesses

5th ZOOM Session on the topic Cyber-security for Individuals and Small Businesses was conducted on 27th January 2021. Mr. K Sanjay Kumar Gurudin IPS Deputy Inspector General of Police, Trivandrum Range was the speaker of the day. Around 90 members were attended this event.

Launching of the book “Stock Market Wisdom” by CA T.S. Anantharaman

Launching of the book “Stock Market Wisdom” authored by CA T.S. Anantharaman (Former Chairman CSB Bank & Past President, TMA) was held on 5th January 2021 at Hayat Regency, Thrissur. Mr. Murali Ramakrishnan (Managing Director and Chief Executive Officer, The South Indian Bank Ltd) was the Chief Guest of the day. CSB Bank MD CVR Rajendran was the guest of honor.

During the function TMA Felicitated Mr. V.P. Nandakumar (MD, Manappuram Finance & Past President, TMA), Mr. P K Vijayakumar IRS (Retd.) (TMA MC Member & Acting Director, Dhanlaxmi Bank)

Institution of TMA-AquaStar Green Project Award

TMA instituted a new award in association with AquaStar industries, Thrissur. The Green Project Award aim to honor companies, start-ups or individuals for innovative green sustainable products and concepts.

Honouring of Mr. K Paul Thomas for achieving The Global Sustainability Award 2020: TMA honoured Mr. K Paul Thomas (MD & CEO ESAF Bank & Vice President, TMA) for winning The Global Sustainability Award 2020. TMA President Dr. V M Xaviour honoured Mr. Paul Thomas on 5th January 2021.

Presentation of TMA-DLB Merit cum Means Scholarships & TMA Scholarship: Presentation of TMA –DLB Merit cum Means Scholarships and TMA Scholarships was held on 4th December 2020 at TMA Management House, East Fort, Thrissur. Er. Vinod Manjila welcomed members and guests. Dr. V.M. Xaviour delivered presidential address & congratulated the winners. CA. Manoj Kumar M. (Student Chapter Convener, TMA) proposed vote of thanks.

Dr. (Capt.) Suseela Menon R (Director, Dhanlaxmi Bank Ltd. Thrissur) & Mr. P K Vijayakumar IRS (Retd.) (Director, Dhanlaxmi Bank Ltd. Thrissur) presented TMA-DLB Merit cum Means Scholarships to Mr. Deepak Mathew Sunny & Ms. Chithra M.

Mr. Prathap Varkey Hon. Secretary TMA presented TMA Scholarship to Ms. Sneha Girijan of Elijah Institute of Management Studies.

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LTV CURBS ON GOLD LOANS DON'T HELP



By V.P. Nandakumar

An LTV cap at 90 per cent for banks alone won't help the poor looking to monetise their gold. Able NBFCs should be encouraged.

Recently, banks were permitted to increase the loan to value ratio (LTV) on gold loans for non-agricultural purposes to 90 per cent (from 75 per cent) till March next year. It is a welcome and, perhaps, overdue measure, not least because it acknowledges that the cap on LTV for gold loans imposed in 2012 is not etched in stone.

There is no bar on banks and NBFCs extending unsecured personal loans to their customers. They can finance a vehicle up to 80 per cent and more, even when the same sheds 30 per cent of its value in the very first year. But when it comes to a gold loan, where the underlying security is immune to depreciation and almost as liquid as cash, a borrower gets only 75 per cent. The rationale for a blanket cap on the LTV ratio for gold loans was never quite clear-cut.

As NBFCs were kept out of the purview of the relaxation, a section of the market interpreted the move as a setback for them. It is not so. NBFCs cater to a different class of customers compared to the banks, best described as “the top of the bottom of the pyramid.” Essentially, this class is neither destitute, nor well-off enough to interest banks. Besides, with greater last-mile reach and presence in unbanked areas, NBFCs serve customers in places where bank branches are absent.

Are banks up to the task?

All the same, it must be determined whether banks are in a position to deliver the full benefit of this relaxation to the target segment. After all, lending against gold at 90 per cent LTV is no

easy task even in good times, let alone in volatile times such as now. It presupposes a finely tuned risk management system tailor-made for this one product that banks, whose attention is thinly spread over multiple products, are unlikely to have. In contrast, gold loans are the bread and butter for NBFCs, and they will likely have robust risk management practices honed over the years. Appropriately, as if to underline the criticality of this aspect, no sooner was the relaxation announced that gold prices in India retreated from their all-time highs by over 10 per cent in a matter of days.

Moreover, if the objective of the measure is to mitigate the harsh economic fallout of the Covid-19 pandemic on marginal households and small businesses (whose credit requirements are clearly unmet by other channels), are banks in a position to step up to the plate? Can they service the demand from poorer classes for prompt credit delivered closer to their homes without being made to run around and forego wages for a day or two? It is worth highlighting that most such loans tend to be for relatively paltry amounts, say, ₹30,000- 40,000, borrowed for a month or two, by pledging 10-15 g of gold jewellery. These are not the typical bank customers.

The risk element

In allowing preferential treatment for banks, regulators would have noted that banks deal in many products, with gold loans forming only a small part of their overall loan book, automatically checking the risk element. However, the case of gold-loan focussed NBFCs could also be

considered as their specialised experience in the field ensures they are well-placed to deal with the attendant risk.

The fact is, NBFCs exist because gaps in the banking system leave out significant sections of people engaged in the informal economy. They address this constituency by acquiring specialised knowledge gained through focussed attention over the years, which in turn enables innovations to contain the inherent risks in catering to this segment.

From the perspective of a regulator charged with prudence and safeguarding the system against excessive risk-taking, the objective may also be met by prescribing suitably higher risk weights on the higher LTV gold loans. This would ensure that only well-capitalised NBFCs who are capable of absorbing the shocks that arise enter the fray.

LTV cap needs a relook

It is well-known that India has the largest hoard of privately-owned gold, with the affinity for gold and its ownership cutting across the rich-poor divide. Ideally, our policies should enable the poor to monetise their gold assets better by doing away with the LTV cap, and allowing well-capitalised NBFCs with prudential risk management practices and proven track records to introduce products offering higher LTV of 90 per cent or even more. The incentive of higher loan amount on their meagre gold holdings will avert marginal borrowers from being lured by informal financiers and nudge them towards the formal sector.

Would this make them vulnerable to excessive borrowings as to run the risk of forfeiting their jewellery? Our experience suggests otherwise. For instance, the recent run-up in gold prices has actually deflated the portfolio-level LTV for gold-loan majors to well below 60 per cent these days. It may be said that gold-loan customers tend to be conscious of their cash flows and of the need to redeem their precious jewellery, and therefore borrow accordingly.

An artificial cap on the LTV tilts the playing field in favour of unorganised lenders. It denies established NBFC players a legitimate opportunity to capitalise on their experience, higher capital adequacy and superior risk management practices. In fact, removing the cap on gold-loan LTV may even spark off the next wave of innovations in the industry, for instance by introducing credit risk assessment into gold loan appraisal, or novel and more efficient risk management practices.

The exclusion of NBFCs from the increase in LTV is unlikely to hamper their business prospects. But it will certainly impact their marginal borrowers who would have been keener than most to avail themselves of such a benefit. By restricting the benefit of the relaxation to the bank customers only, a vulnerable section of the population is effectively punished. That, surely, would not have been the intention! □

(Shri V.P. Nandakumar is MD&CEO of Manappuram Finance Ltd. and a Past President of TMA. Views are personal. This article was published by the Hindu BusinessLine on Dec. 31, 2020)

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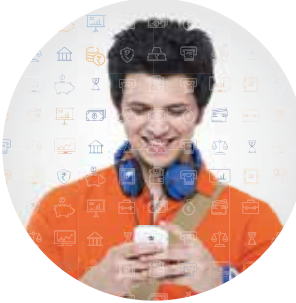
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THE CHANGING WORLD OF MANAGEMENT ASPIRANTS



By C G Rajeevan

The Covid19 pandemic has changed the world as we know it. There is abundant discussion across all forums on the new normal and what it would be. As we stand at the beginning of the year, it looks as if we are finally getting to see light at the end of the tunnel; the vaccines are coming, the test positivity rates are coming down and everything seems to be getting back on track. But ask yourselves, is it really so? Many industries have fundamentally changed; as have the consumers. Without a doubt, the various management paradigms that were successful in the past will be found wanting. There is a need to delve deeper into the readiness of the various stakeholders who are involved in developing new management students. The management institutes have traditionally played an important role in grooming upcoming manager aspirants. Keeping this in mind one would expect the management institutes and associations to be at the forefront of these advances to shape the new world. Hence it is unfortunate to see them limiting to superficial changes and resisting transformative changes. This in turn causes a huge challenge to the management students who will be effectively under skilled and under trained to meet the changing requirements of the industry. If this gap is not addressed, we will soon see a management vacuum across industries. Let us explore the very important question, what does the industry now expect from management graduates? I would like to consider three time and context invariant factors that have become more relevant now.

1. Hit the ground running:

The era of management trainees with a long

training period is over. Organizations expect the new, “joinees” to be competent in certain skill sets and hit the ground running from Day 1. To achieve this requires a greater connect between the management schools and hiring organizations. Furthermore, since a campus is the best opportunity for students to acquire that skill set, it would be prudent for organizations to give practical training through meaningful internships. Being SMEs, industry practice leaders should participate in academics by offering to teach elective subjects.

2. Be Self Starters:

There is an expectation that the newcomers bring in an entrepreneurial mindset to the organization. To develop such a mentality, the students should get an opportunity to work in start-ups as part of the course work. Even an, “innovation cell” that is well funded will give them the motivation to become more original in their thinking and actions. This can give them a head start when they leave the institute and join the real world.

3. Digital Management:

Digital is likely to be the standard mode of doing business. The consumers have become more tech savvy. The usage of visual conferencing apps like Zoom/Google meet have skyrocketed amongst the different strata of the society. It is not just youngsters who are ordering things through Amazon, Flipkart or Swiggy. Even doctors are seeing more patients through telemedicine facilities. Digital marketing is not taught in traditional management course as a main subject in most management schools.

Colleges have to think beyond arranging online classes if they expect their students to be in the forefront of managing the changing expectations. Online certification in digital marketing which can be obtained at a very reasonable rate through authentic and well reputed apps like Udemy would be of tremendous value to the students.

Finally let us examine the roles of management associations in the emerging world. Management associations like the TMA have a big role to play in facilitating the interaction between the industry and the management schools. They can be catalysts in this transformation through various initiatives such as the following:

Adopting institutions: They can work with the local industry champions, start ups etc to establish a process for providing internships for the students from the local management institutes.

Organize refresher courses for the faculty and invite them to attend the webinars and management conferences to increase

their awareness on the latest trends **Facilitate joint projects** between the faculty and industry through consulting engagements or joint research projects.

Ultimately what one has to realise is that the world of management is a variable constant. Variable because we need to keep up with the changes and a constant because our fundamentals and integrity should remain the same. Hence, there is a need for the students, management institutes, and industry associations to strengthen the existing programs via a more effective and structured interactions between the academia and practitioners. The various management associations can play key role in making this happen by bringing all the parties to the table and providing the right perspective.

Shri C G Rajeevan is a Management Faculty at JMC, KAU and Elijah Management Institute, and a former Senior Vice President at Manipal Hospitals and a former Associate Vice President of Infosys. He has earlier worked with GE Medical Systems and Philips India in various capacities. □

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NEVER UNDERESTIMATE...



By Balagopala Kurup

Strictly, conforming to the protocol of the pandemic, I had been mostly under a “self-imposed house arrest” for the last eight months or so. So, with a lot of time on my hands, in an idle fancy, I started running through the punch dialogue lines in Bollywood blockbusters. In the process, I stumbled upon this sentence, delivered by Sharukh (The King) Khan himself, “Never underestimate the power of the common man!”

This set me off on a strange line of thought. How often do we commit the common mistake of not realising the inherent strength and capability of the people whom we meet ordinarily, in the course of our day-to-day life? We see them as a “lift operator”, “Uber driver”, “Courier Messenger”, “newspaper-walla” or “sales boy in the grocery shop”. And we never take the time or effort to see them as full-fledged human beings with unique talents and skills. Very often, we do not even bother to find out their names.

If only we took the pain of understanding them a bit more, it would be amazing to see how they quickly develop into a support system for us, be it social support, physical support, or even emotional support. This inability to recognize them as pillars on whom we can lean, leads us to “resource myopia” – not understanding, nor utilizing, the resources of persons in our circle of acquaintances.

Looking back on my career in a Public Sector Bank, I could recall a few instances to illustrate the above point. Let me share one such event.

A new Chairman had assumed charge in our Bank, and he felt that our Bank was underperforming and was capable of a much more accelerated growth. So, while unfolding the Business Plan

for the ensuing year, he placed before us a very steep growth target for deposits. A target which appeared impossible, taking into account the deposit growth rate of comparable Banks and that of our own Bank in the previous years. But then, our Chairman would not accept any of these excuses, his message was “None of you are performing at your full potential. If you gave your full efforts, you have no idea, what you are capable of.” That was that. Well, we had to execute this ambitious plan and had to work out strategies to achieve the goal.

Those were days when the IPO boom was at its peak. New equity issues were opening for subscription, every week, and getting heavily over-subscribed. Some of you would remember the frenzy of those days when newspapers carried photos of long lines of applicants on the road, standing with umbrellas in the pouring rain, outside the Banks to submit their applications, when a Corporate giant launched its “twin issues” – two initial public offers on the same day. Dalal Street fondly gave them the nick name, “Eelu and Peelu”

Many of us, in the Junior and Middle Management levels in our bank, fell in line with this general craze and started putting in our own applications in the equity issues, with the hope of getting some allotment (the chances of which, being about the same as that of winning a bumper lottery). The so-called new generation private banks and foreign banks had a virtual monopoly as the Issuing Bankers, and small investors had to queue up at their counters to submit applications. Then came the suspenseful wait hoping for allotment. Our patience was also sorely tested, as there was a long wait before we could get the refund orders for unsuccessful applications!

Since it was not possible for us to leave the office during working hours, the task of taking the applications to the specified bank branches fell on Gopal, our messenger. He had to go out on errands, and was entrusted with dozens of applications, cheques attached, which he diligently carried to the branches concerned and brought us back the counterfoils.

Back to our deposit mobilization efforts. We quickly realized that routine efforts would take us nowhere near our goal and used to hold impromptu brainstorming sessions (though we had not heard about this word back then) in the afternoons. These sessions were meant to develop creative strategies to reach the target (phrases like out-of-the-box-tactics had not been coined yet!). To fuel the thoughts, our Manager used to get us hot snacks and tea and the task of procuring these goodies fell, again, on Gopal. He used to keenly observe the discussions, though he did not, of course, participate. After all, he was “only” a messenger, what ideas could he contribute?

Once, we were really struck and seemed to have hit a dead-end. No worthwhile ideas were forthcoming. We were just repeating notions like door-to-door canvassing and sending leaflets to potential non-resident customers. We could just not think of anything new. At this point, Gopal, very timidly came to the group and asked whether he could venture to say something. Since we were just about desperate and there was nothing to lose as we were facing a stalemate anyway, we encouraged him. And what he said just stunned each of us.

Gopal said, “Saar, every week, at least on four days, I carry cheques to the branches of other Banks along with your applications. I understand

that each of these cheques would result in money from our bank going out. This is why all the amounts canvassed by you all don’t result in any increase in our deposits. But I also know that this is necessary for success in your efforts to get allotment. If it is not too much to ask, I was wondering whether we can stop this activity temporarily, till the end of March. Our money will remain in our Bank, till then. At least, could we try for the rest of this month and see what happens, Saar?”

As I wrote earlier, we were stunned, one and all. Here is Gopal reminding us to prioritise our goals, to rate the group goal above our individual goals. He is teaching us the difference between short term and long-term gains, the message of “losing a battle, to win a war”. All this coming from “only a messenger, tenth-standard-failed “giving a knockout blow to our egos.

Needless to say, we shamefacedly appreciated his idea and put it into immediate execution with handsome results. It was not just that some funds stayed back in our accounts, it was much more than that. Operation-Gopal, as we called it, created a paradigm shift. It made us devise innovative strategies to augment the inflow. The entire campaign gained momentum. The story had a happy ending.

I had such defining moments later in my career also when bright ideas came from very, very, pedestrian sources and helped me out in predicaments. But all that is another story, reserved for a later occasion, in case we get a chance.

I am sure, each of you would have such illustrations. Please be kind enough to share them with other readers of Management Voice. □



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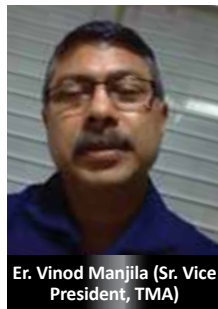
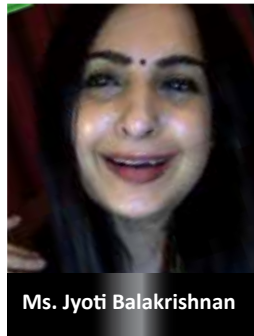
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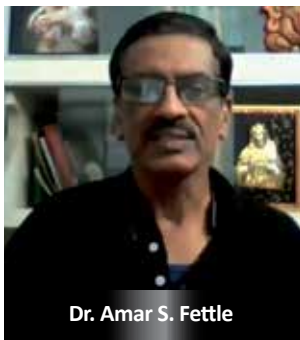


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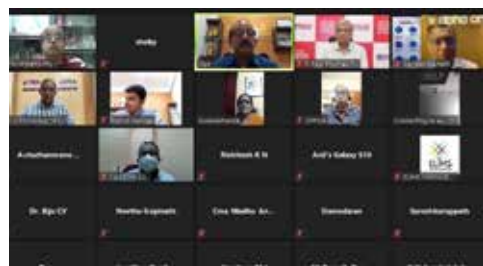


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LAUNCHING OF THE BOOK “STOCK MARKET WISDOM”

AUTHORED BY CA T.S. ANANTHARAMAN, 5 JANUARY 2021

The book “Stock Market Wisdom” authored by CA T S Anantharaman (Former Chairman CSB Bank & Past President, TMA) was launched on 5th January 2021 at Hyatt Regency, Thrissur.

Mr. Murali Ramakrishnan (Managing Director and Chief Executive Officer, The South Indian Bank Ltd) was the Chief Guest. Mr. CVR Rajendran, Managing Director of CSB Bank, was the Guest of Honour.

During the function TMA Felicitated Mr. V.P. Nandakumar (MD, Manappuram Finance Ltd. & Past President, TMA) and Mr. P K Vijayakumar IRS (Retd.) (Member of TMA’s Managing Committee & Acting Director, The Dhanlaxmi Bank)



**LAUNCHING OF THE BOOK “STOCK MARKET WISDOM”
AUTHORED BY CA T.S. ANANTHARAMAN, PAST PRESIDENT, TMA
5 JANUARY 2021 (HYATT REGENCY, THRISSUR)**



CA T.S. Anantharaman



Mr. Prathap Varkey, Hon. Secretary, TMA



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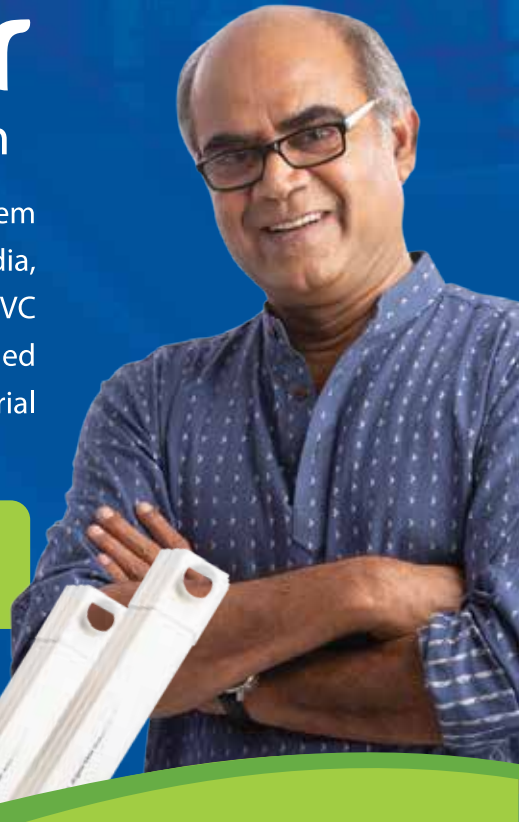
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STOCK MARKET WISDOM – Lessons from a Lifetime in Capital Markets.

By T.S. Anantharaman. Pub: Taxmann Publications (P) Ltd., 59/32, New Rohtak Road, New Delhi 110055. Pages: 224. Price: Rs. Rs.725/.

Shri T.S. Anantharaman, one of the senior-most members of Thrissur Management Association (TMA), its past President (during 2009-11), and one of the brains behind the Association's new office building, 'Management House', needs no introduction to our readers. Nevertheless, a few words would not be out of place. A chartered accountant, an investment banker, former chairman of Catholic Syrian Bank (CSB), and founder of the erstwhile Peninsular Capital Markets (now merged with the leading brokerage firm, Motilal Oswal Capital Markets), he has spent his lifetime in studying and analyzing the capital markets in the country. Recently, he has published the above book under review wherein he has recorded, among others, some astounding success stories of a few investors in the equity markets. Having been closely associated with the Cochin Stock Exchange as Vice President, and also with the NSE on its Executive Committee, he has had a ring side view of all the happenings and is in a unique position to offer simple but very effective and practical suggestions for all investors in the stock markets.

In some 24 short chapters and dozen annexures, the author has covered the entire range of stock market and discussed all important issues of investment in equities and mutual funds threadbare – both gains and pitfalls – and pointed out how despite the occasional scams, equity investment could still be the preferred one for all types of investors. What is more appealing is his concise way of presentation in very simple terms of even difficult topics. By having uniformly short chapters, just 4-5 pages, the reader is sure to take an instant liking as enables quick reading/assimilation. The annexures are also not merely presentation of charts and figures, but has, among others, the regulator's (SEBs) role, the amazing story of

Reliance industries, the first Indian company to enter the Re. 10 Trillion Market Cap Club, and the roller-coaster journey of the Sensex from just 100 in 1979 to 41,000 in December 2019. Considered as the economic barometer, the Sensex can be taken, as Ashish Chauhan, BSEs CEO puts it, as the 'first real time index of India'... "If you look at the chart of the Sensex since the beginning, you will be able to see that when India smiles, Sensex smiles and when India cries, the Sensex cries too".

Coming to the success stories, he narrates the story of a small-time investor of Palghat a few years ago in a till then unknown garment export firm, Kitex Garments. Till 2009, the firm was totally unheard of. Persuaded by his friends, he started buying the scrip when its price was just Rs.4-6 in lots of 100s, and 500s. Soon, his holdings reached the then permissible level of 15%. Luckily for him, the authorities increased the maximum level of individual holdings to 25% and he continued the buying spree and soon reached 24%. All through the share price was on its upward journey. In April 2014, when the company's annual results were announced – doubling of net profits -- several brokerage firms and big-time investors flocked to Kerala to know more of this company and started buying heavily! The share which hovered around Rs.50-60 at that time soon galloped to Rs.100, then to Rs.500 and later to Rs.1000, all in the course of a year! The investor did not require to invest in equities for his lifetime as he had by then made a huge fortune in a short span of 5 years or so and came to be called in his friends' circle as the 'local billionaire'.

The real beneficiaries of the stock market are, according to the author, the persons who buy and keep the shares for the long term and therefore enjoy the benefits of bonus shares, splits, and

dividends. In this regard, he cites the case of a hypothetical investor in Infosys shares. If the investor had bought 100 Infosys shares at its public issue price of Rs. 95 per share in 1993, the total investment would have been just Rs.9500. And, if he had just kept them till today, one would be the proud owner of some 102,400 shares, without any extra investment! In terms of value, the initial investment of Rs.9500 would have become a mind-boggling sum of Rs.7.7 crores in 2019 (based on its price of Rs.750 per share in 2019). Now, it would have gone up further as its price is around Rs.1300! Besides, he would have got every year heavy sums by way of dividends! This example amply proves the author's point of remaining invested in good and sound shares for a long term. The only thing is that not many are in a position to stay invested for so long a period of 20 plus years owing to financial constraints and commitments.

According to him, despite many success stories, by and large, the average investing clan, remains skeptical about investment in equities and stock markets. For even now, just some 40 million out of a population of over 1.3 billion or little over 3%, form the investing public. He attributes this poor ratio to two main factors—ignorance or non-awareness and ill-advised approaches of investors. While the ignorance factor is being taken café of by BSE and NSE through the print and electronic media, Anantharaman has, attempted to highlight for the aspiring investor the great potential of the stock market and guide him to invest wisely to avoid pitfalls. He has echoed views of the average investor, who has both lost and gained in the market, and says “it is a dangerous place.” Much of the losses in the market also occur owing to excessive fear and greed. They enter and exit from the market at the wrong time, with the result they end up buying at very high levels and selling at lower prices.

He points out that buying equities definitely involves some risk as all other investments and risk-taking factor of the investor plays a dominant role. While it is difficult to time the market for both entry and exit -- one should not attempt—but definitely plan one's finances in such a manner that would not necessitate exiting at the wrong time owing to sudden and unexpected misfortune or other compelling factors. As a prudent investor, one should set apart funds for meeting emergency needs and only the spare sums should be earmarked for investments. And, one should never

be greedy and hope for the market to continue rising forever, but stick to the golden rule —cut the losses by selling the scrip initially itself and book profits at regular intervals so that one is not overtaken by sudden developments, both internal and external. One should always remember not to get very much attached to any scrip, however great returns it may be offering.

Apart from general rules in investments, Anantharaman discusses certain other interesting issues like how to have the right number of stocks in one's portfolio, hold it forget it strategy, which shares to buy, low PEs or High PEs, smaller and bigger companies, value investing, investing in growth shares, short-term buying for trading and long-term investment, key to multibagger returns, lessons in wealth creation from Warren Buffett, etc. For the sake of brevity, only one or two issues are taken up. Multibagger shares, according to him, are easily available for investors in India. For succeeding in this, however, one has to have the will, determination and patience to ‘hunt’ for them. A lot of research work goes into identifying the so-called multibagger scrips and then comes the point of buying them at the ‘right’ price. Later, one has to hold them till they reach to their full potential and lastly, one has to book profits at the right time, when the scrip is fully built into its price. These days, detailed researched investment information is easily available from business journals and web sites. They can be used for identifying scrips with potential. One has to evaluate the ‘quality’ of management in the scrips. As Phil Fisher, the reputed investor, has said, “quality of management is the single greatest indicator of scrip's value. Management is 90%, industry is 9% and others 1%.” For instance, in the housing finance sector, in November 2019, HDFC, known for its high-quality management, was quoted at 5 times book value (BV), much higher than that of India Bull Housing and GIC Housing which were quoted at just 0.7 times their BV).

Again, the author adds that only companies showing consistently above-average growth rates over an extended period should be considered. Titan, Industries, is one company that has readily adapted to change and has earned a place in the minds of good investors. Starting off as a watch company and having failed to make much headway, Titan soon diversified into jewellery, where it saw the sector with no clear leader, and entered the field through Tanishq. Incidentally, Titan has

become one of the biggest multibagger stories and a key holder of the scrip is the legendary Rakesh Jhunjhunwala. As for buying at the right price, his advice is be patient, wait for a market crash. Markets are not always rational when they crash and often recover soon. Individual companies also crash for no reason. Markets tanked when Modi announced demonetization, everyone knew they would recover and in a few months' time recovery came about. Such are 'buying opportunities' which one has to literally grab to succeed.

One other thing to remember is 'holding the scrip to its full potential rise'. Often, investors hurriedly exit by booking profits before the scrip has risen to its peak. As Basant Maheshwari, a successful investor, said "sitting on profits is a lot tougher than sitting on losses, as investors are insecure about their profits." This habit precludes the possibility of multibagger returns. One should book profits at the right time, no doubt, the most difficult thing to do. When the valuation of a scrip increases sharply, then, perhaps, it does not make sense to hold on to the scrip any longer, but often owing to greed, one holds on, hoping for further rise. Taking KiteX Garments case again, this scrip reached dizzy heights in 2015, over Rs.1000, while turnover was only Rs.500 crores and market cap had crossed Rs.5000 crores! The scrip had literally crossed all limits of sanity! Soon, it crashed and is now just Rs.100 plus! Even Warren Buffett, the biggest proponent of holding shares for long term, books profits when he considers it prudent.

In an interesting chapter titled 'Invest in Winners, do not chase losers', the author gives some practical hints on how to spot the winning stocks and invest in them while at the same time, avoiding losing stocks by cutting losses before it becomes late. He points out that making mistakes while investing is normal, but the key lies in recognizing the same, and correcting it promptly, and avoid repeating it. Even the most talented and studied investors do not always buy the right stocks. He adds that the common mistake is to book profits in winning stocks at the wrong time and holding to the ones that are in losses, hoping that they would turn the corner. If a scrip was a poor choice, one should exit at the earliest, cutting the losses. On the other hand, if the stock is actually good, it should be kept till it reaches its full potential. Again, avoid sentiments while investing and remember that one is investing in shares to make profits and create wealth. Also, never blindly imitate

others, sometimes they cause serious harm, if the 'expert's advice goes wrong. He quotes Warren Buffett who says "If you buy things you don't need, you will soon sell things you need." If a person has a portfolio of some 10 scrips, one or two are likely to be losers and 2 or 3 big winners. Strategy should be to get rid of the losers after examining their potential and hold on to the winners. In other words, cut one's losses and run with the winners. His chapter on Warren Buffett's "Lessons in wealth creation" is essentially 'pearls of wisdom' for all investors. Time is the essence of wealth creation, "no matter how great the talent, or effort, some things take time" and wealth creation is one of them. Buffett invested some \$11 million in 'Washington Post' company way back in 1973 and holds it to this day. Its present worth runs into billions of dollars! Never watch the market after buying a scrip, it corrupts one's mind and unwittingly forces one to make mistakes. Always invest for a long term after carefully identifying a good scrip. Following Andrew Carnegie, the legendary philosopher's principle, Buffett believes in putting all the eggs in one basket and watch that basket grow. Incidentally, he has made 90% of his wealth in about 10 scrips.

By providing additional reading material for interested readers and a financial terminology at the end, the author has done a splendid job of 'providing a simple and comprehensive guide' for investment in stock markets. For, according to him, stock investment is hassle free, highly liquid and secure, particularly after introduction of demat, as compared to investments in land/property and gold, and should be the preferred form of investors. The publication has a foreword from Motilal Oswal, CMD of MOSL, wherein he optimistically predicts that the next few years would be the 'golden period of stock market journey in our country's history'.

Applying the practical concepts as explained in real world investing would hugely benefit the readers in their journey of wealth creation. The book, without doubt, is a must read for all investors and it is to be read and re-read regularly. □

Reviewed by

V. Raghuraman, 14th January, 2021.

22nd January, 2021

E-mail: vraghuraman9189@gmail.com

PROACTIVE RESPONSE STRATEGIES TO COVID-19 BUSINESS CHALLENGES



By Prof. K. B. Pavithran

COVID-19 has swept the globe, spreading uncertainty and upheaval wherever it goes. These are undoubtedly anxious times, in which leaders are worried about the health of their families and employees, first and foremost, yet are also overwhelmed with business challenges.

This is no ordinary economic downturn: Fundamental changes in consumer behaviour, supply chains and routes to market are knocking companies off balance. Traditional benchmarks and insights used to manage the business are suddenly obsolete. While uncertainty rules the day, it is possible to take back some control by protecting your company and taking better care than ever of your customers and employees.

“Never normal” might be the new normal as leading companies learn they indeed have the ability to outmanoeuvre uncertainty in rapid cycles. There are some clear guidelines for what companies can do right now to regain stability and what’s needed to create growth in the future.

An analysis of the Altman Z-score, conducted by Accenture, found that of the S&P 500 companies, 210 companies were in the distress zone in late March 2020. The distress zone suggests a considerable risk for many companies going into bankruptcy in the near future.

Altman Zones	Range	S&P 500 Companies (March 2019)	S&P 500 Companies (March 2020)	Change (%)
Safe Zone	$Z > 2.99$	236	174	-62
Grey Zone	$1.81 < Z < 2.99$	104	116	+12
Distress Zone	$Z < 1.81$	160	210	+50

Source: Accenture analysis of Capital IQ data. Data as of market close on Mar 20, 2020.

Three Proactive Response Strategies

Response strategies that match organizational infrastructure with emerging market trends offer significant opportunities.

Since the COVID-19 crisis struck, organizations in vulnerable sectors worldwide have seen their revenues drop substantially in a matter of weeks — in some cases, dwindling to almost nothing. Countless companies have taken reactive steps to ward off major losses, such as establishing remote work arrangements, securing supply chains, reducing employee workload, cutting costs, and applying for government support.

After a burst of frenetic activity, some organizations finally have time to think about capturing opportunities. But where to start?

Significant opportunities are available to those organizations agile enough to adjust their infrastructure, their product/service portfolio, or their route to market.

Strategy 1: Same Products, Different Channel

One proactive business response to COVID-19 is to offer the same (or similar) products and services through an online channel. This may occur through the digitization of physical products or, in the case of services, through a technology-mediated delivery solution.

Strategy 2: Same Infrastructure, Different Products

The dampening the demand for many products and services, resulted in an underutilization of organizational infrastructure. Factories run under capacity; restaurants, bars, and hotels sit empty;



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service providers go unused.

While the need for some products and services has fallen, however, demand for others is high and even growing. Some organizations are taking advantage of this shift by deploying existing infrastructure to produce different products or to offer new types of services.

Strategy 3: Same Products, Different Infrastructure

Suddenly struggling to meet the demand for their products and services, some companies need to quickly augment their infrastructure to increase production and/or delivery capacity. Finding new infrastructure is easier said than done and often requires collaboration with external partners, but a number of organizations worldwide are taking inventive steps to bridge such gaps.

Amazon recently announced that it is looking to hire an additional 100,000 employees in the United States to meet increased demand from homebound online shoppers. It has partnered with the ride-booking company Lyft as both demand and fares for Lyft trips have fallen dramatically. Lyft is encouraging its drivers to pursue positions as warehouse workers, delivery people, or grocery shoppers to earn additional income, and applications for Amazon positions are available through the Lyft driver web portal.

From Reactive to Proactive

Out of short-term necessity, organizational responsiveness to COVID-19 has been largely reactive. The following decision tree can help executives to more proactively and strategically think through their potential COVID-19 response options.

Proactive COVID-19 Response Strategies

This decision tree can help organizations proactively develop strategic responses to COVID-19-related business challenges.

As organizations move from a reactive to a proactive approach to dealing with COVID-19, they should ask themselves the following three questions:



Source: Prof. Michael Wade and Heidi Bjerkan

- First, can we offer a version of our products and/or services through an online channel? Going online is the closest equivalent to low-hanging fruit in the current environment.
- Second, can we use our existing infrastructure to produce products and/or offer services that are in demand? This question is especially relevant for organizations facing reduced consumer demand. Many organizations have allocated infrastructure to produce goods and services to support the fight against COVID-19, but some strategic companies are thinking beyond the crisis to future changes in consumer needs.
- Third, how can we rapidly increase our capacity to produce and distribute products and/or services? This question is most relevant for organizations that are struggling to keep up with virus-fueled demand. Turning to partnerships with other companies can boost capacity in a crunch.

Answering these questions and responding strategically to the current crisis requires a high degree of creativity, an openness to challenging assumptions,

Find new growth paths next

The future will belong to the prepared. While it might sound counterintuitive to spend time today identifying the new growth paths, lessons from the past two recessions suggest companies that balanced growth and cost management outperformed their competition in the aftermath.

To be ready for what's next, prioritize three goals:

View your business through a customer lens

This crisis offers a unique chance to build trust with customers and reset around their needs, including how they want to buy and receive service. Be careful not to be seen as exploiting the situation, even as a by-product of responding to more demand.

Rethink your channels and ecosystems

Business model flexibility is crucial. Decouple the core to allow for unencumbered new models and governance. Ecosystem partners that allow for experimentation and rapid scaling will be key. Look at adjacent businesses and study how they're adapting to the current situation. Pursue unique opportunities to acquire assets and talent in the search for new growth pathways.

Define a portfolio approach to invest wisely in what's next

Economic downturns require portfolio-minded investment decisions. Apply a hedge fund mindset across your business units, brands, functions and key partnerships. Evaluate how consumer experiences are delivered to prevent investments from being trapped in an individual silo. Reconsider alternative pricing and payment models. Apply new demand-sensing capabilities to inform key investment decisions.

Shift your long-term corporate strategy for the never normal

To position their companies for growth in the

recovery, leaders are now thinking about disruption more pointedly and are strategizing to make their organizations more resilient and competitive.

As you think to the more distant future, which may not be "business as usual," consider three possible actions:

Stress test the business ecosystem

Disruption occurs along the fault lines of an industry's ecosystem. Prepare for cascading consequences that can destabilize historical competitive advantage. Embrace uncertainty and "wargame" scenarios centred on plausible business futures.

Rebalance commercial investments

Determining how to rebalance commercial investments is one of the most important decisions to make in the months ahead, but don't overdo it. A rush to radically scale back customer investments often leads to unintended and detrimental consequences that can only be seen clearly in hindsight.

Build for resiliency

Future survival hinges on business resilience. Accelerate your strategic ambition, acquire differentiating capabilities and place growth bets at a time when others are retrenching and recovering at different rates. □

Dr. K. B. Pavithran is the Former Professor and Director, School of Management Studies, Cochin University of Science and Technology and Former Dean, Mahatma Gandhi University, Kottayam.

HARNESS THESE TECH INNOVATIONS TO DRIVE YOUR BUSINESS FORWARD IN 2021

By Stephanie Nashawaty and Lisa Dalesandro DiChristofer

Techies love jargon. Artificial intelligence (AI), machine learning (ML), robotic process automation (RPA), the Internet of Things (IoT), and cloud—these terms, regularly employed in the information technology (IT) world—were typically not that well understood outside the IT context. But 2020 changed all that.

The pandemic turned the entire “technopedia” into a catalog of solutions that would keep families and friends connected, students learning, businesses running, economies moving, and health care professionals caring for their patients. In a matter of weeks, technologies that once seemed futuristic became part of our everyday lives.

Historically, delivering such advancements took years. Integrating all that innovation with the business infrastructure is not a small task, and consumer adoption tends to take even longer. But as the race to the Covid-19 vaccine taught us, where there’s urgency, timelines can be collapsed, processes can be rethought, and people can become more accepting of change.

Where will this level of innovation urgency take us? It may become the foundation for a shared vision of continued, accelerated innovation that will likely bring with it a new slew of tech terms.

Let’s take a deeper dive into key industries using 10 technologies that will continue the business evolution and impact all our lives in 2021.

Cleaner, More Reliable Energy

The utilities industry has been leading the charge on a transition to clean energy. But despite a mix of government policy headwinds, Covid-19 solidified the urgency. Now the sector is ready to embrace a diversified portfolio of new technologies to enhance the electric grid and enable vehicles,

homes, and businesses to serve as distributed energy resources.

At Duke Energy, immersive technologies that blend physical and virtual experiences, otherwise known as **extended reality**, help field-service and maintenance workers perform repair activities and operate drones so the workforce can inspect assets, conduct inventory transactions, maintain substations, obtain remote expert help, and enhance equipment uptime.

AI is also becoming an integral part of **predictive maintenance and inspection**. International energy supplier E.ON improves the reliability of its energy generation and distribution processes by shifting from traditional time- or condition-based monitoring to managing assets and systems according to real-time IoT data.

Automation is also going to another level to deliver **RPA** to support high-volume, repeatable interactions. This innovation is turning manual tasks typically performed in the call center into a highly efficient decision-making system supported by intelligent algorithms. Such activities include outage notifications, move-in and move-out times, back-office processes, billing complaint resolution, and field-maintenance scheduling.

What does this all mean for utility consumers? It translates into faster, more personalized service with the heightened efficiency that consumers have grown accustomed to.

Utility customers can now receive real-time updates regarding outage restorations, service calls, and account balances by asking their voice assistant. These new improvements in personalized digital experiences can help customers learn new ways to reduce their consumption, which can translate into reduced utility bills. Additionally, by predictively managing vegetation interfering with power lines and addressing electrical power problems to

provide potentially safer utility operations, utility companies can also have a dramatic impact when it comes to reducing wildfires.

Physical and Digital Retail Converge

For businesses ranging from grocers to fashion and luxury brands, the past year's circumstances have caused the retail landscape to evolve by nearly a decade in terms of e-commerce adoption and introduction of new services. Most retailers are working diligently to provide faster transactions through "buy now" and responsive fulfillment processes that quickly match inventory with demand. Marketers are racing to provide a unified brand experience across digital and physical storefronts.

But such an industry-changing transformation will require a new perspective on the overall customer experience.

One technology that's helping brands stand out from the competition is **headless commerce**. Decoupling front-office and back-office processes allows greater customization and e-commerce solutions that can provide an instantaneous 360-degree view of each customer. This insight is particularly useful when determining how to present products and services in the most compelling way and delivering a consistent cross-channel shopping experience.

A headless content management system helps propel content anywhere and everywhere, well beyond a company's website. To drive customer convenience and engagement, that means delivering products via social media platforms like Instagram, blog posts, or any channel that has emerged and is able to actually fulfill and process transactions directly.

Another option is the use of **virtual reality** within the online shopping experience. Virtual dressing rooms, magic mirrors, personalized "store" windows—all these experiences and more are now accessible on the 2.5 billion existing and potential customers' smartphones worldwide.

More importantly, behind the scenes of these e-commerce and in-store experiences is a **digital supply chain** that provides real-time insight, reduces risk, and optimizes costs. The goal is to

track the status and delivery of goods throughout the global sourcing and fulfillment network.

All these transformational changes to the customer experience bring a significant opportunity to retailers in the form of in-the-moment **decision intelligence**. The ability to capture, process, analyze, and act on data in real time allows brands to automate demand forecasting and supply-chain planning to optimize everything from inventory assortment to customer engagement and promotions.

What does all this mean for retail consumers? It translates into unique, immersive customer experiences that combine traditional shopping with innovative technologies that seamlessly converge digital and physical touchpoints.

Retailers can now provide their shoppers with personalized customer experiences that exceed their expectations. Simple improvements, such as eliminating the likelihood of putting out-of-stock items in their shopping carts, leading to frustration with shipping delays, will keep customers coming back for more and turn them into brand advocates. This enhancement can greatly reduce costs by creating just-in-time relationships with suppliers while improving customer satisfaction.

Connecting Cars and Drivers

For years, automakers and their suppliers and distributors have been balancing delivering the experiences that customers desire with sharpening core competencies to accelerate the innovation of fully autonomous, electrified, and connected vehicles. As a result, revenue is shifting from vehicle sales to data-enabled mobility services to increase customer choice and convenience.

This growing pressure across the industry is compelling auto companies to join forces with telecommunications providers. Ericsson and Audi have joined forces on a new pilot project in robotic smart factory automation. The first use case will be an automation application connected through 5G with a focus on personal safety. A light-sensitive cell, surrounded by safety sensors, is installed in an airbag in the steering wheel. As soon as a human hand breaks through the cell's light curtain, the car stops automatically.

Meanwhile, innovation in autonomous and connected vehicles continues to materialize as **vehicle-to-everything (V2X) network connectivity** turns cars into large, moving mobile gadgets. Several components in this multifaceted ecosystem include vehicle-to-vehicle, vehicle-to-infrastructure, vehicle-to-pedestrian, and vehicle-to-network communication that enables cars to talk to other vehicles, traffic lights, parking spaces, pedestrians, data centers, and more.

Augmented reality is also helping drivers feel more secure by detecting operational inefficiencies such as imperfect maintenance and diagnostic failures. For auto brands, such as Porsche, the goal of this technology is mitigating the cost of breakdowns—from extra components and material to labor and buffers—while minimizing production downtime.

What does this mean for automotive consumers? Automakers' response to growing consumer demand for more satisfying car-buying and -servicing experiences is transforming an age-old business model.

These new advances in technology are the cornerstone of the new connected-car revolution. They will have a profound effect on our travel experiences by enabling autonomous driving vehicles, providing automated real-time traffic data, increasing safety, and allowing more personalization. Shifting customer demands, technology advancements, and growing legislation are the key factors accelerating the changes and attracting new startups and innovation to the original equipment manufacturer ecosystem.

A Shared Vision of Purpose-Led Innovation

When it comes to technology innovation, a

moment—not even a worldwide health crisis—can never be wasted. The more people change how they work, shop, or engage in their everyday life, the more businesses need to adapt and provide products, services, and experiences to stay relevant, useful, and convenient.

In 2020, early adopters of digital technologies thrived and achieved a faster return on their investments. These investments in technology allowed them to adapt and create new business models. Conversely, companies that didn't have the vision and the accompanying technology foundation to adapt watched helplessly as they were outpaced by their competitors.

The topics of innovation and digital technology have forever moved from the back office to the board room as organizations find the increasing urgency in 2021 to use advanced technologies like the 10 discussed above. As the pace of change shows no signs of slowing, organizations need to work internally to create a vision that allows them to harness technology innovation to drive their businesses forward to better attract and serve their customers.

As we look toward the future, what sounded like a technology buzzword yesterday may very well be the key to growth tomorrow. □

Stephanie Nashawaty, chief customer innovation officer, SAP North America, and Lisa Dalesandro DiChristofer, head of North America Industry Advisory Practice, SAP

WHEN EVERYONE'S A GENIUS (A FEW THOUGHTS ON SPECULATION)

By Morgan Housel

The end of a speculative boom can be inevitable but not predictable. Unsustainable things can last a long time. Identifying something that can't go on forever doesn't mean that thing can't keep going for years. Years and years and years.

Part of it is emotion. During the Vietnam War Ho Chi Minh said, "You will kill ten of us, and we will kill one of you, but it is you who will tire first." Emotional trends aren't beholden to logic, which can keep them going far past any point of reason.

Part is storytelling. Unsustainable trends have life support if enough people think they're true, and once people believe something's true it gets hard to convince them it's not. Or put differently: If enough people believe it's true it's just as powerful as actually being true.

Every investor is making bets on the future. It's only called speculation when you disagree with someone else's bet.

In hindsight there was as much speculation in the 1990s that Kodak and Sears would keep their market share as there was that eToys and Pets.com would gain market share. Both were bets on the future. Both were wrong. It happens.

Of course there's a speculation spectrum. But let's not pretend that others speculate while you only deal with certainties.

The willingness to believe crazy things increases when it feels like the world is dangerous and falling apart. Chronicling the Great Plague of London, Daniel Defoe wrote in 1722:

"The people were more addicted to prophecies

and astrological conjurations, dreams, and old wives' tales than ever they were before or since ... almanacs frightened them terribly ... the posts of houses and corners of streets were plastered over with doctors' bills and papers of ignorant fellows, quacking and inviting the people to come to them for remedies."

Optimism always overshoots. It has to. The correct price of any asset is what someone else is willing to pay for it, because all asset prices rely on subjective assumptions about the future. And like a blind man who doesn't know where a wall is until he bumps into it, markets cannot know exactly how much people are willing to pay until they go a little too far and say, "Ah, in hindsight, that was the limit."

The peaks of market cycles always look irrational in hindsight, like they went too far. But in real time markets are just trying to find the limits of what people can endure. And they have to, because if you don't know exactly where the boundaries are it's possible there's opportunity left to exploit, and someone, somewhere, will step in and try to exploit it.

Correlations go to one during wild times. Everything goes up regardless of merit, then everything goes down just as indiscriminately. So everyone feels like a genius on the way up and a moron on the way down. But neither is true. As Scott Galloway says, "It's never as good or as bad as you think."

Investors play different games. GameStop at \$400 a share makes no sense if you're a long-term investor. But if you're a day trader betting it will go to \$401 in the next hour, it might be a great buy.

A lot of financial debates don't reflect people actually disagreeing with each other, but people playing different games talking over each other.

Jim Grant once put it: "To suppose that the value of a stock is determined purely by a corporation's earnings discounted by the relevant interest rates and adjusted for the marginal tax rate is to forget that people have burned witches, gone to war on a whim, risen to the defence of Joseph Stalin and believed Orson Welles when he told them over the radio that the Martians had landed."

Optimism is the best long-term mindset. And it requires a certain level of believing things that can't be verified, either because you don't have the technical skills to verify them – nobody knows everything – or because something hasn't happened yet but you think it will happen in the future. Not enough speculation is just as dangerous as too much speculation.

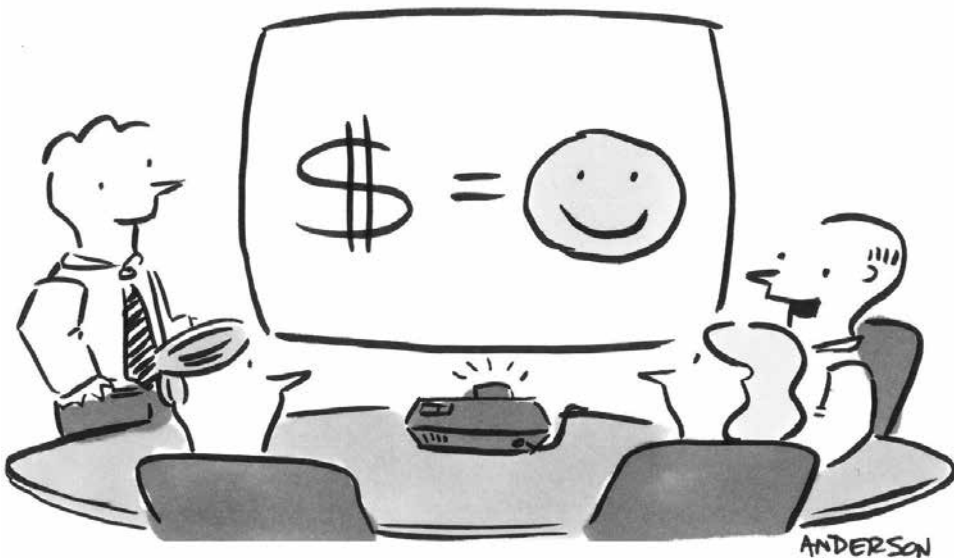
"You only live once" is just as compelling a reason to not do something. Buffett: "If you risk something you need in order to gain something you don't need, that is foolish. It's just plain foolish."

When interest rates are zero, stories about what could happen in the future are more powerful than facts about what's actually happening today, because there's no return in bonds that anchor people back to reality.

Investing is not the study of finance. It's the study of how people behave with money. And sometimes those behaviours are absolutely wild. □

Courtesy: www.collaborativefund.com

Morgan Housel is a partner at Collaborative Fund and a former columnist at The Motley Fool and The Wall Street Journal. Author of the book *The Psychology of Money*.



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MANAGEMENT AND BUSINESS QUIZ

By: teambizquiz@tma

1. Policybazaar is the first unicorn in the online insurance space from India. Another insurance startup has got unicorn status and has become the first unicorn of 2021. Name it.
2. Serum Institute has given Covishield, the COVID-19 vaccine, at a discounted price of Rs 200 per dose to Govt of India. At what price will it be sold in the private market as per SII's Adar Poonawalla?
3. SBI has the largest number of rural branches in India. Among private banks which bank has the largest number of rural branches?
4. What is the value of gems or jewellery or any gold, silver items above which KYC is required as per Govt of India, Ministry of Finance guidelines?
5. Which country issued this currency note of One Hundred Trillion Dollars because of hyperinflation?



6. In the year 2020, prices of Bitcoin surged. How much returns have investment in Bitcoins given in calendar year 2020?
7. Which Indian tractor company has come up with India's first electric tractor?
8. Which US stock was added recently to the S&P 500? This was the highest valued stock that was introduced in the index?
9. Indian Tea Association has expressed worries about the quality of tea imports coming into India. From which country are large quantities of cheap black tea being imported?
10. Who has acquired controlling stake in Piramal Glass for 1 Bn \$?

ANSWERS: Business & Management Quiz

- 1. Digit
- 2. Rs 1000
- 3. Bandhan Bank
- 4. Rs 2 lakhs
- 5. Zimbabwe
- 6. Over 300 %.
- 7. Sonalika Tractors
- 8. Tesla Motors
- 9. Nepal
- 10. The Blackstone Group

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Applicant's Signature

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Issuing Bank	Date of Issue

Signature with Office Seal
(To be signed by immediate Superior)

P.S. Please forward this application along with a photocopies of the documents to TMA together with Crossed Cheque / Demand Draft for the amount as applicable in favour of "THRISSUR MANAGEMENT ASSOCIATION" Payable at THRISSUR.

Membership Fees:

Category	Entrance Fee (Rs)	Subscription Fee (Rs)	GST @ 18% (Rs)	KFC @ 1% (Rs)	Total Fees (Rs)
Life Membership (Onetime fee)	Nil	Rs 25,000.00 (includes donation of Rs. 10,000/- to the Corpus Fund)	4,500.00	250.00	29,750.00
Women's Life Membership (Onetime Fee)	Nil	Rs 15,000.00	2,700.00	150.00	17,850.00
Individual Membership	Rs 100	Rs 5,000.00 (per annum)	918.00	51.00	6,069.00
Institutional Membership	Rs 100	Rs 10,000.00 (per annum)	1,818.00	101.00	12,019.00

* Kerala Flood Cess (KFC) is not applicable to Applicants having GSTIN



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