

eMDP- Senior Management Programme (SMP)

Integrative Project Report Guidelines

(Prof. Anandakuttan Unnithan & Prof. Venkataraman S)

Project Title: Strategic Diagnosis of a Business

This is a project to be taken up on an individual basis and counts for performance assessment as part of the SMP

Project Brief: To undertake a comprehensive diagnostic analysis of a firm from an overarching strategic perspective, and identify critical success factors and critical vulnerabilities / risk issues. The analysis is expected to cover all the core aspects of a business – particularly Economy & Industry, Market Position, Operating Efficiency, Organization, Financial Position and Management Analysis (Track record, Ethics, Vision and goals etc). The end game is to come to a clear and firm opinion on how the firm is positioned for the future.

Deliverable: A crisp and concise analytical report, well-structured, **not exceeding 5 pages** (including executive summary, charts, figures, annexures and references)

Learning Objective: The primary objective of this exercise is to integrate high-level analytical perspectives familiarised through the programme, and bring it all together in a diagnostic frame that aids a strategic view of a firm and its competitive positioning. Of course you are expected to bring your experience to bear, as best as you can. Such as perspective is often needed as a strategy consultant, or as a CEO of a firm, business or a division. A secondary objective is to train oneself, or assess one's own ability to be able to communicate such an analysis in a concise, effective and discerning manner, prioritizing the most critical issues.

Key Tasks:

Data Gathering

1. Pick a company of your choice – it can be in any industry, it can be your own employer, a former employer etc. Though not mandatory, some familiarity would be useful.
2. **Ideally pick an Indian publicly listed company**, so that you can access the recent annual reports and financial statements, and also access other public information such as analyst meet transcripts and presentations and media reports. Use the management discussion in the annual reports and company websites gainfully.

Analysis

1. Industry analysis - to arrive at a conclusion of key success factors (an/or risks), prospects and attractiveness (inc. a broad idea of cost structure, profitability/margins):
 - a. State of the industry – Industry structure, extent of competition, competitive dynamics, risk of substitutes, technology disruptions, entry barriers, global competitiveness, regulatory trends, overall attractiveness, Govt policies, etc.
 - b. Demand-Supply scenario: Key drivers and dependencies, trends, import threats, and outlook for the short-medium term (say 3-4 years)
 - c. Input side risks: Inputs could be raw materials, utilities or even human resources
2. Market Position & Power – to understand the firm’s market power, and the ability to sustain it (or improve it) – or potential threats to its market power. This could be based on an understanding and analysis of:
 - a. Product range (breadth, depth, dependencies etc)
 - b. Competitive position – Positioning, Brand equity, pricing power, customer loyalty, stickiness
 - c. Market Analysis – Size, market share, Spread & diversity of markets, selling & distribution strengths/weaknesses, scalability etc.
3. Operating Efficiency – A view of how efficiently is the business able to deliver its goods/services and its relative competitiveness from this perspective
 - a. Supply Chain related issues – Risks, flexibilities, integration, logistics
 - b. Locational aspects
 - c. Cost structure and related vulnerabilities or advantages
 - d. Environmental aspects/ Sustainability issues
4. Financial Analysis – A sense of overall financial strengths and key risks
 - a. Profitability trends and outlook
 - b. Financial leverage and debt protection
 - c. Working capital efficiency/management
 - d. Liquidity
 - e. In case of multi-business firms, consider the consolidated financials

For the financial analysis, you only need to take summary financials from the annual report, and do some quick back-of-the envelope calculations to arrive at key ratios and trends. We expect you to understand the nuances in the financial statements – just enough to make an informed analysis; but we don’t really expect you to input all the numbers and schedules into a spreadsheet, develop a cash flow statement etc.
5. Management Analysis
 - a. Management profile, track record, background, group linkages etc.
 - b. Strategic vision
 - c. Risk appetite
 - d. Vulnerabilities, Ethics and Integrity Issues, if relevant

Synthesis, Conclusion & Analytical Writing

Based on your analysis of the above aspects or dimensions of the firm, crystallise and integrate the key issues. Some or many of these aspects may be overlapping – as in, there are always inter-dependent effects and impacts. Your task is to string them together – to identify the fundamental issues, core competencies, strengths, vulnerabilities, and articulate the key issues for the business, going forward, over the medium term.

We expect your report to take a clear concluding or summary position, that can give the reader a perspective of how the business can be currently assessed with regard to the entire Indian business landscape (not just within the industry) and what may be the critical strategic issues, going forward. **Essentially, you are expected to take on the role of a market analyst or a strategy consultant.** Your conclusions and impressions should be adequately/reasonably supported with key data, observations (quantitative, qualitative or even anecdotal) and your foregoing analysis.

Instructions and Suggestions

1. Report strictly not to exceed 5 pages (all inclusive).
 - a. Font: Times New Roman 12 or equivalent.
 - b. Normal margins
 - c. Spacing: At least 1.25
 - d. A longer report does not necessarily make a better report. You are free to submit a report shorter than 5 pages
 - e. Please indicate your full name at the top of the report and or in header/footer.
 - f. Please mention your short name and short company name as the file name. e.g- Kiran Nair-Grasim; Nivedita-Infosys etc.
2. What kind of firm should I take up for analysis?
 - a. Any company is fine – but it may be better/easier to take up a single business company – or a company where one business is at least 70-75% of its total revenues.**
 - b. You are free to take on a diversified company, but if your report does not cover all the major businesses, it would be incomplete.
 - c. It is alright to take up one firm that is the subsidiary of another firm, so long as you are able to do a comprehensive analysis of all the relevant angles. Vice versa will not work.
3. Your analysis may be comprehensive, vast and detailed, but your final report needs to be concise and crisp and impactful. We need good precis writing. Focus on the essentials, after you do all the detailed analysis. Brevity is often the essence of good communication.
4. If you wish, you are welcome to talk to company sources directly, as part of your research – Please cite the same. This *per se* will not get you any special marks.

5. We don't suggest any particular structure- that is up to you- but we will assess the report as much on its presentation, quality or writing and structure, as on its content and analysis. Always keep the reader/audience in mind. Nevertheless, here are some pointers:
 - a. The report should definitely have a crisp executive summary (not exceeding one page; half-page is better), and this is part of the 5-page limit
 - b. Hint: The analysis points above itself gives you a broad idea of what could be good report structure
 - c. **We expect a proper report in prose, not just a set of bullet points**
 - d. **The financial analysis portion is important and should present some summary financials that forms the basis of your analysis**
6. This exercise is *primarily for you and your learning*, and not just for the sake of assessment. All the same, you would appreciate that ethics are paramount.
 - a. **What we expect is a well-analysed report, but entirely written in your own, original language.** We trust you to do so.
 - b. **We would be happier to have an original report that may not be great, and be much disappointed if the report is brilliant but “inspired”.**
 - c. Refer any number of sourced that you want, but please properly cite and reference your sources.
 - d. There are many ready reports on many companies freely accessible on the web. If you wish, you may refer to them, but your report has to be in your language. Simply replacing words and phrases won't cut it.
 - e. All reports will be subject to automatic and manual plagiarism checks, and any report with more than marginal similarity to internet sources and reports of other participants, will be unilaterally and severely penalised, with no opportunity for appeal. **Any report with over 25% similarity score will be penalised heavily. Further, if the similarity score goes above 40%, the paper will not even be assessed, and will be scored zero, and therefore you may stand a high risk getting less than “pass” marks, and therefore not be eligible for course completion.** So please be responsible for your own effort.

We trust that you will enjoy the above process of analysis a firm or a business end to end, and bring all your analytical perspectives to bear, to come up with a comprehensive analysis and a well-crafted report. **Make no mistake- this is a challenging task. It will take a lot of your faculties to do a good job.** More than perfection, we expect intent, enthusiasm, effort and integrity. We believe that you are more than up to it.

All the best!

Anandakuttan & Venkat