

AIMER view

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January 26, 2014
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Markaz
Knowledge City
Calicut, Kerala, India



EDITION 13

FROM FRUSTRATION TO SATISFACTION

A couple of weeks ago, during a cherished anniversary celebration, I received a gift from my loving wife. As I eagerly unwrapped the packaging, a message caught my attention. Little did I know that this simple message would take me on a thought-provoking journey of discovery.

Curiosity piqued, I began contemplating why the company had included this particular text. This line of thought led me to imagine the challenges they must have faced in shipping such a bulky item. Shipping the entire package would have escalated their costs significantly. But they were determined to find a solution.

Ingeniously, the company chose to modularize the package, allowing customers to assemble it themselves. However, this presented them with a new hurdle. When the packages reached customers, some were dissatisfied with the unassembled items. Perhaps they were too busy or simply lacked the motivation to put in the effort.

This dissatisfaction resulted in a surge of returns, frustrations, and an overwhelming burden on the customer support team responsible for installation and assembly. The company recognized the need for a swift resolution.



Their solution was refreshingly simple yet effective. They decided to prepare their customers for the assembly process right from the moment they unpacked the package. At the top of the package, a thoughtful message awaited them, proclaiming proudly, "Assembling something is a skill." The company presented the act of assembling as an accomplishment in itself. To simplify the process further, they reassured customers, stating, "Let's help you learn that skill in just 20 minutes." A seemingly small investment of time.

This straightforward action proved transformative. It dramatically reduced returns, minimized frustrations, and most importantly, increased customer satisfaction. It invoked the famous Ikea effect, where consumers place a disproportionately high value on partially-created products. For the company, this approach yielded a trifecta of benefits: cost reduction, decreased load on their support team, and the creation of a highly satisfying product.

What a brilliant idea, right?

For those passionate about business, the biggest lesson lies in framing challenges as opportunities to build customer satisfaction. This company initially faced potential problems with customer assembly, but they cleverly rephrased it as a skill-building exercise with minimal time commitment. The result? Reduced returns, happier customers, and even a boost in satisfaction thanks to the Ikea effect. This story reminds us of the power of proactive communication, positive framing, and making tasks accessible. By embracing these principles, we can transform hurdles into delightful experiences, fostering loyalty and paving the way for a thriving business.

As for the gift my wife gave me, it turned out to be an ergonomic chair – a symbol of comfort, love, and the remarkable power of thoughtful details.



Mr. SERIN PAUL

Business Unit Head- Executive Education,
AIMER Business School



TOP NEWS ROUNDUP



UNION BUDGET
2024-2025



1

FY 2024-25 Budget Announcement Key Highlights

The Indian budget for FY 2024-25, as announced by Finance Minister Nirmala Sitharaman, focuses on a wide array of sectors aiming for comprehensive growth and development across the country. Here are some of the key highlights from the budget:

- The budget projects India's real GDP to grow at 7.3% in FY 2023-24. The capital expenditure outlay for the next year is increased by 11.1% to 11,11,111 crore, aiming for 3.4% of the GDP. The fiscal deficit for 2024-25 is estimated to be 5.1% of GDP.
- A significant focus is on uplifting the poor, women, youth, and farmers, with several schemes announced to support these demographics. For instance, the PM Mudra Yojana has sanctioned 43 crore loans, aggregating to 22.5 lakh crore, with a significant portion aimed at women entrepreneurs.
- Empowerment and support schemes for various sectors were highlighted, including PM-SVANidhi for street vendors, PM-JANMAN for tribal groups, and PM-Vishwakarma Yojana for artisans. Additionally, the PM-KISAN SAMMAN Yojana continues to provide direct financial assistance to farmers, and the electronic National Agriculture Market has integrated 1361 mandis, serving 1.8 crore farmers.
- For youth empowerment, the National Education Policy 2020 aims at transformational reforms. Skill India Mission has trained and upskilled millions, and significant investments have been made in higher education and technical institutes.
- Women empowerment is also a focal point, with increased enrolment in higher education and significant participation in STEM fields. Several schemes aim to support women entrepreneurs and professionals.
- Infrastructure development receives a major push with a record spending of 11.11 trillion on infrastructure creation to maintain India's status as one of the world's fastest-growing major economies.
- There are no changes in taxation; the same rates for direct and indirect taxes, including import duties, have been retained. However, tax benefits for startups and investments by sovereign wealth or pension funds have been extended.
- The budget also emphasizes research and innovation, with a corpus of 1 lakh crore established for a fifty-year interest-free loan to encourage private sector scaling up in sunrise domains.
- In the health sector, the government plans to set up more medical colleges and encourage vaccination for girls against cervical cancer. Comprehensive programs for maternal and child care and the expansion of healthcare coverage under Ayushman Bharat are also part of the plan.

India's Business Growth Reaches a Four-Month High

In January 2024, India's business activity expanded at its fastest pace in four months. This growth was driven by stronger demand, as indicated by a private survey. The Composite Purchasing Managers' Index (PMI) compiled by S&P Global rose to 61.0, the highest since September, indicating a continued expansion in both manufacturing and services sectors. This positive trend suggests that India is maintaining its position as the fastest-growing major economy. (Reuters)



2

India Tightens Tech Sector Regulation

In January 2024, India saw significant developments in tech regulations. The country introduced several regulations inspired by European antitrust approaches and Chinese-style government surveillance. This included a 28% Goods and Services Tax (GST) on online gaming. A new telecommunications law was enacted, providing the government with increased monitoring capabilities for national security. Looking ahead, the Digital India Act aims to regulate large tech companies, and streaming platforms like Netflix and Amazon Prime may face greater scrutiny over content. These changes indicate a more protective regulatory environment in the Indian tech sector (Techcrunch).



3

BEYOND THE BASICS: HOW COST CONTROL FUELS YOUR FINANCIAL ENGINE

Financial security might seem like a distant dream, shrouded in visions of high-flying salaries and overflowing bank accounts. But what if the key to unlocking your financial future lies not solely in earning more, but in spending less? That's where the often-overlooked principle of cost control takes center stage.

It's tempting to assume that a higher income automatically translates to a better life. While additional income offers undeniable advantages, statistics tell a different story. According to a report by CBS News in 2019, one-third of middle-class families struggle with financial insecurity, questioning the connection between income and true financial well-being.

So, instead of chasing an ever-elusive paycheck, consider reframing the savings equation. Forget the tired "Savings = Income - Expenses" formula and embrace a more proactive approach: Savings = Income - Intentional Spending. This shift in perspective empowers you to take control of your finances, rather than passively letting expenses dictate your savings potential. Controlling expenses doesn't require drastic sacrifices or a joyless existence. It's about making conscious choices and optimizing your spending patterns.

The latest report by Mint says that 300 million Indian households are at the beginning of their discretionary consumption cycle, offering ample room for strategic cost control which may be addressed with the following 4 simple strategies-

Regular Spend Analysis: Track your expenses for a month, categorize them, and identify areas where you can cut back. Tools like budgeting apps or spreadsheets can simplify this process.

Cost Comparison and Negotiation: Don't settle for the first price you see! Compare costs across different providers and negotiate whenever possible.

Cost-Benefit Analysis: Before any major purchase, consider its long-term impact. Will it truly enhance your life, or is it a fleeting impulse?

Pre-Planning Purchases: Planning purchases in advance allows you to compare prices, find deals, and avoid impulse buys. This simple strategy can significantly reduce wasted spending.

By controlling your expenses, you unlock a hidden potential: increased savings and investment. Imagine the impact of even a small reduction in daily expenses.

Over time, these seemingly insignificant cuts can snowball into a sizeable investment fund, opening doors to financial freedom and future opportunities. The road to financial security isn't paved just with high salaries. By embracing cost control, you equip yourself with the tools to maximize your savings potential, fuel your investment engine, and step confidently towards a brighter financial future.

Remember, it's not about depriving yourself, but about making smart choices that empower you to live the life you desire, on your own terms.



Mr. Mohmmed Anees YC

Associate Professor,
AIMER Business School

HOT PLANET, UNCERTAIN FUTURE

Climate change, predominantly fuelled by human activities since the late 1700s, involves the release of greenhouse gases like CO₂ and methane from fossil fuel use, industrial processes, and deforestation. The consequences encompass global warming, heightened heatwaves, shifts in precipitation patterns, and the alarming melting of polar ice.

This phenomenon poses significant threats to ecosystems, wildlife, and human communities. Rising temperatures contribute to sea-level rise, particularly endangering coastal regions. Furthermore, the impacts extend to the animal and plant kingdoms, leading to species disappearance and increasing acidity in the oceans, affecting marine life.

Addressing climate change requires a comprehensive approach. Transitioning to cleaner energy sources is crucial to reduce emissions. Additionally, adapting infrastructure, particularly in vulnerable areas prone to flooding, is essential.

The collaboration of global efforts is imperative to mitigate further warming and ensure a sustainable and secure future for our planet.



Salwa KP

UG Student,
AIMER Business School

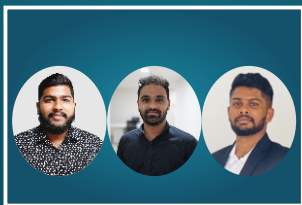


AIMER ROUND-UPS



IGNITE 2023: Intra-College fest

As part of Student Representative Cell (SRC), our college buzzed with an intra-fest Ignite 2023, where PG and UG students joined forces to host and compete. From brainstorming the best management team to showcasing marketing prowess, spotting hidden talents, and celebrating teamwork, the event, inaugurated by Dr. Abdulsalam, CEO of Markaz Knowledge City, offered a vibrant platform for students to shine across diverse skill sets.



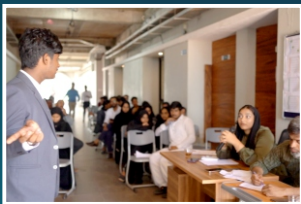
The Private B-School in Kerala with the Top CTC

After placing the first batch of PG students, AIMER became the first private B School in Kerala to reach the top average annual salary of 9.52L. In the past week, three of our students got placed in their dream packages. (Adhil Farhan, Hashir Mohammed, and Adhil CP)



AIMER Kiosk

At the Knowledge City Festival, AIMER Business School stole the spotlight with a captivating kiosk. It wasn't just about education; it was an immersive experience showcasing AIMER's extraordinary approach to learning. Visitors discovered how AIMER empowers individuals to not just chase their dreams, but confidently grasp them by the hand. The kiosk buzzed with the energy of possibility, igniting imaginations and leaving no doubt that an AIMER education was the key to unlocking extraordinary futures.



Management challenge unleashes students' innovation

The college challenged all students, new and experienced, to flex their business mindset. Students were given 2,500 Rs and asked to turn it into a profit and return the initial fund to the school. Students were divided into teams and each team came up with different business ideas to execute and make a profit. From event management to marketing agency to F&B business, the students delivered. It was a unique way of teaching the students about running a business and making profits.



Nature's Lessons: A Journey to Zeno Village

SRC Social and Arts Club students embarked on a memorable trip to 900 Kandi, Zeno village. Immersed in the cardamom plantations, trucking through the rugged terrain, and experiencing the rich local culture, they gained a newfound appreciation for the beauty of nature and the importance of eco-friendly practices. This transformative journey instilled in them a deep understanding of how businesses can thrive in harmony with the environment, leaving a lasting impact on their perspectives.

QUIZ TIME

One winner will get free gifts & a mention in the next edition

Which of these Indian companies have the highest revenue?

- Ⓐ Tata Steel
- Ⓑ Infosys
- Ⓒ Reliance Industries
- Ⓓ Wipro



REPLY YOUR ANSWER(S)
IN THE WHATSAPP CHAT
+91 9778 413 281

* Correct answer will be in the next edition.

Last edition's answer is 'a) Bombay Stock Exchange (BSE)'



Last Edition's
Quiz Winner!

Abubakkar KK, Jeddah, KSA
Ashwak Restaurant



COMPANY WATCH

Café Coffee Day



Café Coffee Day, a cherished establishment under Coffee Day Global Limited, stands as India's preferred destination for coffee enthusiasts and meaningful conversations. Familiarly known as CCD, we prioritize delivering unparalleled experiences to our patrons. Our journey began in 1996 with the inauguration of our first cafe on Brigade Road in Bangalore, swiftly becoming a hub for the youth. Over the years, CCD has evolved into the

largest organized retail cafe chain in the country.

Our commitment to quality extends to the very origins of our coffee beans, sourced from numerous small planters integral to our identity. The meticulous journey of these beans involves dedicated visits by our estate workers to ensure the perfect harvest. From careful roasting to precise grinding, we strive for perfection. The result is a delightful cup of coffee, crafted with passion and expertise.

In recognition of our dedication, CCD has received numerous accolades, including the Times Food Award and Burrper's Choice Award. We have been acknowledged as the "Most Trusted Service Brand" and honored with the "Retailer of the Year" award by the Asia Retail Congress. Our founder, Mr. V G Siddhartha, was inducted into the 'ET Retail Hall of Fame' for his invaluable contributions to the retail sector.

At Café Coffee Day, we celebrate the artistry of coffee-making, inviting patrons to partake in the joy of finely brewed coffee and create lasting memories in the process.

In July 2019, the demise of VG Siddhartha, founder of India's beloved Cafe Coffee Day (CCD), plunged the nation into shock. With a staggering debt of Rs 7,000 crore, the iconic brand faced an uncertain future. However, hope emerged in the form of Malavika Hegde, Siddhartha's wife. Taking the helm in December 2020, she became the CEO of Coffee Day Enterprises Limited (CDEL), determined to save her husband's legacy.

Facing the daunting debt, Malavika's strategic prowess became evident. Instead of raising prices, she opted for internal restructuring, closing unprofitable outlets, and forming strategic partnerships with Blackstone and Shriram Credit Company. By 2021, the debt had significantly reduced, reaching a manageable Rs 465 crore by 2023.

Malavika's leadership wasn't just about financial revival; it was marked by empathy. Assuring CCD's 25,000-strong workforce during the tumultuous period showcased her commitment. Born into a political family, with her father being SM Krishna, a former Chief Minister of Karnataka, Malavika's journey transcended business survival. It became a tale of resilience, leadership, and preserving a partner's legacy.

Her bold decisions not only rescued CCD from financial peril but also safeguarded jobs and maintained the comforting aroma of CCD's coffee across Indian cities. Malavika Hegde's unwavering commitment demonstrates that determination can conquer formidable obstacles, reinforcing that, much like the strong brew it serves, Café Coffee Day can endure and continue to energize the nation.

AIMER view

