

Department of Management Studies
Aryabhatta College



The Bottom *line*

Annual Newsletter

2019



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Providing Corporate Exposure and enriching the student's knowledge is an important virtue that all courses must possess. Hence the Department of Management Studies, Aryabhatta College in our endeavour to the same would like to thank our corporate training partners for the same.

Over the Course of the year, the **Department of Management Studies** organised various knowledge enriching seminars and training sessions by collaborating with organisations such as **Institute of Company Secretaries of India(ICSI), Alankit Group, TagBin, Institute for Regulation and Competition(CIRC)** and many more.

These training sessions provided our students a glimpse of corporate life and also helped them to correlate the theoretical knowledge they obtain in classrooms with their practical applications which are employed in organisations.

We would also like to express our gratitude to our fellow faculty members, students and the college administration who have been a great source of support and encouragement in the smooth conduct of these seminars and training sessions.

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Welcome Aboard!

Department of Management Studies, Aryabhata College has come up with its first edition of newsletter- **The Bottom Line (2019)**.

The Bottom Line offers a variety of articles and studies covering great many facets in the Biz-World.

The first article, ***Most Overvalued Startup in The World?*** throws light on the Startup- WeWork and how its valuation has been a bit too controversial.

The article, ***The Six Sigma Project*** focuses on the Lean Six Sigma Program. It discusses its relevance in present day corporate world.

The third article, ***Change v/s Success*** carves out the correlation of change and success within an organisation.

This issue also consists of details of various activities conducted by the department and Internship Database of students who pursued Summer Internship Trainings.

Enjoy Reading!

Most Overvalued Startup in The World?

By Sanchit Bajaj

After the fresh funding of \$6 billion in January 2019 by Softbank, WeWork post-money valuation rose to a whopping \$47 billion making it the second highest valued US startup, behind Uber and ahead of Airbnb and SpaceX. Attaching such value may seem preposterous to a company which has never been profitable in their entire existence and whose losses have been accelerating year by year.

WeWork - now rebranded as the We company, was founded in 2010 in New York and provides shared workspaces for technology startup subculture communities, and services for entrepreneurs, freelancers, startups, small businesses and large enterprises. WeWork is currently operating in about 400 locations in 99 cities all over the world and has 400,000 members globally. It has a setup in Mumbai, Bangalore & Gurugram in India and has got all the ingredients of a young, fun and an exciting startup as tenants can rent a hot desk, private offices and office suites with weird furniture, bright colour surroundings, free coffee and craft beer as well!

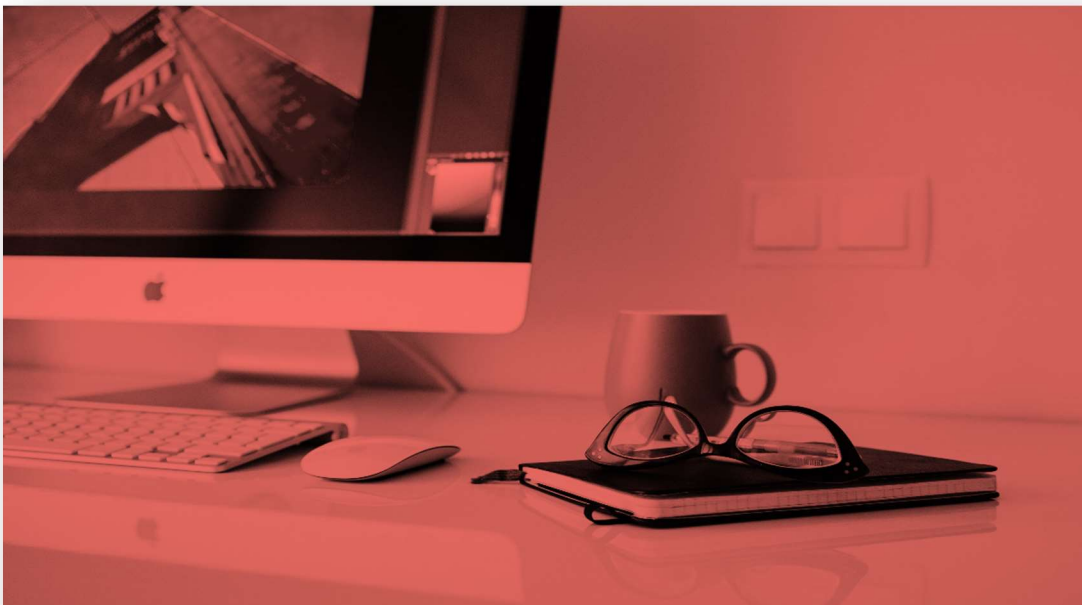
WeWork usually for the most part finds centrally located huge buildings in young and densely populated areas and signs them on leases for 5, 10 or 15 years which is

pretty convenient for the landlords as it ensures regular cash flows for longer duration in addition to the value of their building soaring. They then sublease it to the entrepreneurs on a monthly or yearly basis. This revenue model may seem far easier than it actually is.

WeWork core model depends upon the value of its real estate. That is when the value of the property actually increments, the more they will pocket the difference. This is obviously risky as they are just betting on the value to go up. This paves the path to the fundamental criticism that when recession hits, the company is put into harrowing situation which will produce an unforeseeable future over its existence.

“WeWork isn’t really a real estate company. It’s a

generation of interconnected emotionally intelligent entrepreneurs.”
-Adam Neumann



Now each lease is under a different subsidiary so if they fail to pay for one, they are still somewhat protected. But during an economic slowdown, this will not suffice. Moreover, remember that WeWork's most of the customer bases are small entrepreneurs and freelancers who are the ones that are most likely to fail during a recession. Despite such a huge risk factor, rise of this company to unicorn status can be explained by factors:

- It is perfectly timed with the rise of the independent and freelance workers which comprises of 68 million of the total workforce in the US alone. It is estimated that 40% of the workforce by 2020 will be freelance workers in the US.
- It is backed by Softbank group whose 'Vision fund' of \$100 billion dollars is already giving sleepless nights to smaller VCs globally by alluring all the large deals in technology companies across continents.
- WeWork differs a lot from its co working space competitors in that it emphasizes on 'community' and relationship building and networking as its building is a mix of corporate, startups and freelancers. This resonates with the millennials. A lot also offer access to events and seminars, and the possibility of hosting your own. WeWork has created a unique and compelling brand story.
- And the founders further reasoned there could be opportunities to extend WeWork's brand promise to enhance how We Live, We Party, We Network, We Exercise, We Learn, We Care for Our Children, We Design Office Space, etc.
- This vision underscores WeWork's intriguing brand story, which the company's CEO describes as a "state of consciousness" rather than as a stodgy real estate company.
- It documents and possesses some very valuable data on the behavior and actions of their prospective customers and knows how to put it to constructive use to optimize their resources and serve their customers more effectively.

There has been much uproar on its valuation by many economists and media houses. WeWork is a capital intensive, cyclical business, with inherently modest operating margins, high customer churn, limited economies of scale and unproven network effects which is exactly opposite of the technology companies with similar valuation. It can be seen as somewhat similar to Uber as they both are platform which uses tech but are affected by economics of a non tech company. This begs the Question-Is it really is tech company? Moreover, it is unclear if its vertical expansion introduced in early January WeLive (furnished apartments), Rise by We (wellness centers) and WeGrow (schools) – can attract considerable audience and yield the company the benefits of putting their eggs in different baskets. WeWork is thus likely to face chronic high customer churn, cyclicity, and the need for ongoing expensive sales and marketing efforts to maintain high occupancy rates in its core business, and memberships in its ancillary services. Such cynicism floating around makes this look like another Silicon Valley chronic money losing venture with a pipe dream which will ultimately flop. Or maybe they will pass with flying colours and become a sensation and we lack what others call 'Vision'. Only time will tell.



wework

The Six Sigma Project

By Tushar Agnihotri

It's okay if you don't know what "Six Sigma" is at all, or don't understand every aspect of it. That's because Six Sigma — once a precise, narrowly defined term — has grown over time to represent a number of concepts.

Six Sigma is a methodology for minimizing mistakes and maximizing value. Every mistake an organization or person makes ultimately has a cost — a lost customer, the need to do a certain task over again, a part that has to be replaced, time or material wasted, efficiency lost, or productivity squandered.

In fact, waste and mistakes cost many organizations as much as 20 to 30 percent of their revenue! That's a shocking number. Imagine throwing 20 to 30 percent of your money away in the garbage every time you cash a check. It may sound ludicrous, but that's what many organizations do.

The characterization, measurement, analysis, and control of variation is the central theme of Six Sigma. Every process and every product is affected by variation. Variation — within limits — is okay, and is even desirable. However, you can actually have too much variation. If undesirable variation is out of control, failure is the result! The key goals of Six Sigma are to fix undesirable variation, ignore variation that doesn't matter, and allow for variation that can't be fixed.

▪ Evaluating Variation and Business Performance with $Y = f(X) + e$

Six Sigma practitioners don't hesitate to call the basic equation, $Y = f(X) + f$, a breakthrough equation.

When we apply the concept that all outcomes (Ys) are the result of some number of inputs (Xs) that interact in some way — f , or the function — to produce that outcome, and that there are always some other factors, either known or unknown — f , or epsilon — that will impact the outcome, then you are well on your way to breakthrough improvements.

The elegance of the $Y = f(X) + f$ equation is that it applies to anything and everything — from the simplest process, such as mixing a drink, to the most complex, such as building a space shuttle. After a process is broken down into primary elements, we can then identify the desired outcome, find the inputs that contribute to that outcome, identify those inputs that really matter, recognize where error and variation might occur, and plan improvements that will have a positive impact.



**“Intellectuals
solve problems,
geniuses prevent
them.”**

-Albert Einstein

▪ Breaking down $Y = f(X) + \epsilon$ to a simple process

Following is an example of a simple process with which almost everyone is familiar — cooking eggs. If you apply $Y = f(X) + \epsilon$ to this process, the results look like this:

- ☐ Outcome (Y) — properly cooked eggs
- ☐ Inputs (Xs) — eggs, oil, heat, pan, timer
- ☐ Function (f) — shells are removed, oil is added to pan, eggs are placed in pan, heat is applied for a specific time, eggs are removed
- ☐ Epsilon (ϵ) — size of eggs, age of eggs, temperature of eggs, thickness of pan, amount of heat, timer accuracy, type of oil, altitude, etc.

▪ The Managerial Perspective

While Six Sigma has its many definitions, Six Sigma action occurs on two different levels: the managerial and the technical. At the managerial level, a Six Sigma initiative includes many units, people, technologies, projects, schedules, and details to be managed and coordinated. There are also many plans to develop, actions to take, and specialized work to complete. For all of this to work in concert, and for the technical elements of Six Sigma to be effective, you have to set the proper management orientation.

▪ Radical corporate success

Six Sigma performing companies realize staggering business success:

- ☐ General Electric profited between \$7 to \$10 billion from Six Sigma in about five years.
- ☐ Dupont added \$1 billion to its bottom line within two years of initiating its Six Sigma program, and that number increased to about \$2.4 billion within four years.
- ☐ Bank of America saved hundreds of millions of dollars within three years of launching Six Sigma, cut cycle times by more than half, and reduced the number of processing errors by an order of magnitude.
- ☐ Honeywell achieved record operating margins and savings of more than \$2 billion in direct costs.
- ☐ Motorola, the place where Six Sigma began, saved \$2.2 billion in a four-year time frame.

Some of these factors can be quantified and controlled, but others can't. The trick is to determine which, if any, of these inputs have a significant impact on the outcome and can be controlled. Time and resources would be wasted if you tried to improve the egg-cooking process by changing the altitude!



▪ **How Good is Good?**

99% Good (3.8 Sigma)	99.99966% Good (Six Sigma)
20,000 lost articles of mail per hour	7 articles of lost mail per hour
Unsafe drinking water for almost 15 minutes per day	One unsafe minute of drinking water every seven months
5,000 incorrect surgical operations per week	1.7 incorrect surgical operations per week
2 short or long landing at major airports every day	1 short or long landing at major airports every five years
200,000 incorrect drug prescriptions each year	68 incorrect drug prescriptions each year
No electricity for almost 7 hours each month	One hour without electricity every 34 years
48000 to 98000 deaths attributed to hospital errors each year	17 to 34 deaths attributed to hospital errors each year

▪ **No pain, no gain**

The Six Sigma approach is not for the faint of heart, nor the unprepared organization. It's intense and rigorous, and it entails a thorough inspection of the way everything is done. Six Sigma sets ambitious business objectives and measures performance in a way that forces accountability. It doesn't allow a management team to become complacent, but, rather, it exposes waste that otherwise would remain largely invisible.

Six Sigma takes a business out of its comfort zone - but for a relatively short time. After the first project gains are made and the money starts flowing to the profit margin, a cultural change takes hold. The early discomfort of changing business processes gives way to success, problems become opportunities for improvement, and the organization begins to enthusiastically leverage the methods and tools of Six Sigma — more pervasively and with a keen eye on value.

Lean Six Sigma: DMAIC



Define

Define the problem.



Measure

Quantify the problem.



Analyze

Identify the cause of the problem.



Improve

Implement and verify the solution.



Control

Maintain the solution.

Change v/s Success

By Aakash Bansal

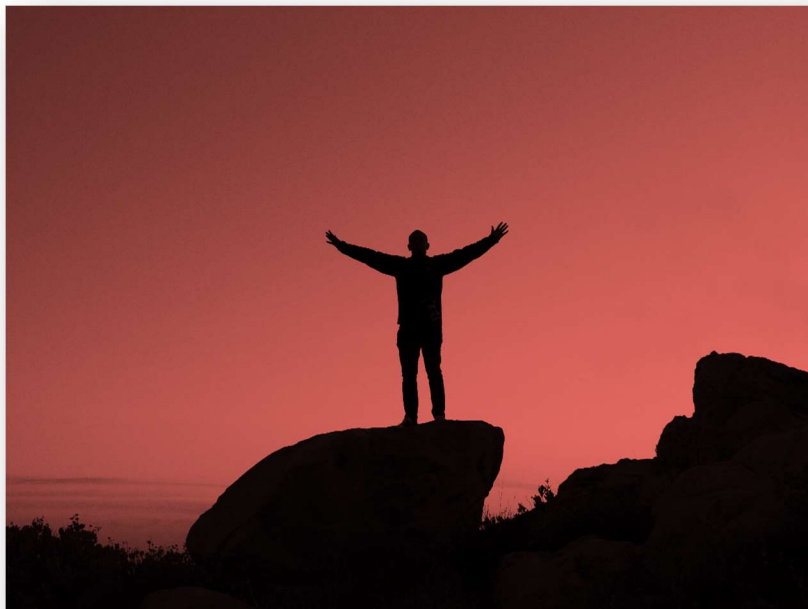
Nowadays due to rapid advancement of external factors and dynamic nature of organizations has led to changing the meaning of the term CHANGE from “DOING THINGS DIFFERENTLY” to “DEALING WITH THINGS DIFFERENTLY”, either by adopting or complying to new approaches that not only results in positive but successful outcomes too. Organizational change and development has a large impact on the success of an organization. The combination of strong leadership, effective management communication and a positive organizational culture has the ability to create a framework for which change can be built.

Businesses should embrace change as changes are important for any organization because, without change, businesses would likely lose their competitive edge and fail to meet the needs of what most hope to be a growing base of loyal customers. Any business in today's fast-moving environment that is looking for the pace of change to

**“Entrepreneurship is about creating change, not just companies”
-Mark Zuckerberg**

Concept of CHANGE MANAGEMENT- that's a systematic approach to dealing with the transition and transformation of an organizations goals, processes or technologies is used by firms for effective control. Companies developing a change management program from the ground up often face daunting challenges, but to overcome it the below mentioned checklist can be listed as follows: -

1. Define the project vision and key outcomes.
2. Create a communication plan.
3. Identify and engage change champions.
4. Use training for instruction- and for marketing the new system.



Best practice frameworks can provide guiding principles and help managers align the scope of proposed changes with the help of digital and non-digital tools. It is aptly said by Mark Zuckerberg [Co-Founder Facebook], who is one of the successful entrepreneurs of all time that businesses are not merely run through policies but also through proper changes that are being implemented after doing proper Environment Scanning. Not just Facebook but companies like Google, Coca-Cola, Toyota, and Nokia etc. had no business model to speak of for much of their early life, but the mind-set that FAILURE is not equivalent to FALLING and changing is essential for the growth helped these firms establishing worth a million of business by overcoming difficult impediments. Need for change can be understood by 4 broad aspects.

First, Growth opportunities for an organization not only allow employees to learn new skills but to explore new opportunities and exercise their creativity in ways that ultimately benefit the organization. Second, Businesses are affected by change in technology like, adoption of new automation that can be disruptive at first, ultimately increases productivity. Some real life examples are: -

1. Google [Powerful search engine] earlier was an unprofitable company but after making marginally profitable forays into selling search appliances to business and its own search technology to other search engines, Google radically changed course. In 2003 it came with Ad Words program that led it to becoming a \$600 billion company.
2. PayPal that originally started as a cryptography company found its sweet spot as the default online payment system of millions.
3. Customer needs is one of the most important aspect of change as it leads to opening up of new areas of opportunity for companies to meet those demands that arises due to new types of product and services.
4. Economy impact organizations in both positive and negative ways that can be stressful but the ability to manage both ends of the spectrum is critical for an organization that wants to maintain a strong brand and strong relationships with customers as well as employees. Coping with stress can involve addition of staff and new facilities.

Change in an organization is always followed by RESISTANCE as many factors both internal and external are not aware of the reasons for the change. Resistance can be managed if leaders talk about ideas rather than talking about people who resist the change. There is always a clear cut difference, between the successful and the unsuccessful leader, as a successful person will always embrace the change while an unsuccessful leader will be afraid of change.

True leaders are those who can diagnose people's stages of concern about a change and respond with the right information at the right time, they can dramatically improve everyone's trust and participation. This not only allow people to refocus their energy on what needs to change and what they can do to help make the change successful.

Activities conducted by Department of Management Studies, Aryabhatta College

The department has been continuously engaged in activities and seminars in order to establish the overall development of the students. Some of them are mentioned below:

- 1. Seminar on Experiential Marketing (12th October, 2018)**
 Speaker : Mr. Saurav Bhaik, Founder-CEO Tagbin
 Objectives: Insights on Experiential Marketing; Understanding Customer Experience Creation
 Footfall: 70 Students + 5 Faculty Members
- 2. Seminar on Corporate Governance (28th January, 2019)**
 Speaker : Mr. Surya Narayan Mishra, Joint Director(Law& RTI), ICSI
 Objectives: Understanding the pivotal role of Corporate Governance policies and procedures in present day corporate arena
 Footfall: 65 Students + 4 Faculty Members
- 3. Seminar on Insolvency and Bankruptcy Code, 2016 (27th February, 2019)**
 Speaker: Mr. Vivek Tyagi, Research Associate, CUTS Institute of Regulation & Competition
 Objectives: Deriving out Features, Pros & Cons, Inferences on the new IBC, 2016; Comparison with other countries and old policy
 Footfall: 72 Students + 4 Faculty Members
- 4. Delve- Annual Management Fest of Sankalp (BMS Society) (15th March, 2019)**
 Objectives: To provide a platform for developing an environment for the growth and real-time experience necessary to emerge as an entrepreneur
 Footfall: 1000 Students (DU, DTU, GGSIPU, etc.) + Faculty Members
- 5. Annual Industrial Trip (9th April, 2019)**
 Organiser: Alankit Assignments Limited (Alankit Group), Jhandewalan
 Objectives: Providing Real-Time Exposure of the corporate arena to young management trainees; Ground Zero Analysis
 Footfall: 60 Students + 3 Faculty Members

Some Insights of the Activities Conducted



INTERNSHIP DATABASE

Students of Bachelors of Management Studies pursued Internship Training during their semester break. They were facilitated with a plantlet on the Annual Management Festival of Sankalp (BMS Society) as a gesture of appreciation. The details of the students are mentioned as follows:

Name	Organisation	Profile
Aaina Nandwani	Reliance Jio	Finance Intern
Aditya Garg	NHAI	Finance Analyst
Ajay Kumar	IDBI Federal Life Insurance	Wealth Advisor
Ankit Kumar	Instahyre	Operations
Ashwini Payak	Team Core, Cavemen in Digitals	Finance, Event Management
Garima Tolwani	Reliance Jio	Finance Intern
Keshav	Umeed NGO	Volunteer Intern
Manas Choudhary	BSES Yamuna Power Ltd.	Finance Intern
Navya Walia	Le Meredian	HR Intern
Pratibha Bisht	RAWAT NGO	Volunteer Intern
Prerna Kumar	IDBI Federal Life Insurance	Wealth Advisor
Rakshit Sharma	Public Health Foundation of India	Administration
Sachin Dhingra	JM Financial Ltd.	Equity Business Trainee
Satvik	BSES Yamuna Power Ltd.	Finance Intern
Sparsh Jain	Reliance Jio	Finance Intern
Tanika Yadav	Team Core	Event Management
Tushar Agnihotri	Air India Limited	Cargo Marketing Intern
Vasu Camma	BSES Yamuna Power Ltd.	Finance Intern

OUR COLLABORATORS



INTERNSHIP ASSOCIATES



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Ms. Cherry Uppal-*Faculty, BMS Course*

Ms. Kavita Gautam-*Faculty, BMS Course*

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Rakshit Sharma- *Member*

Tushar Agnihotri- *Member*

Design and Formulation by Tushar Agnihotri