

XTRAVAGATE

- THE BUSINESS PROBE

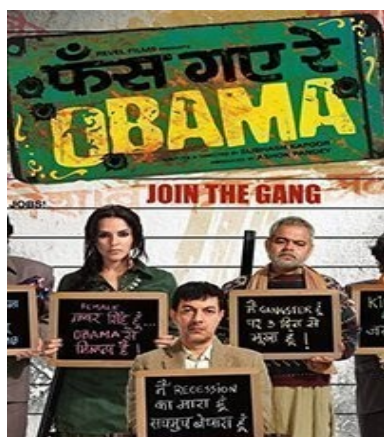
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*"The more that you read,
the more things you will
know. The more that you
learn, the more places
you'll go"*

- Dr. Seuss

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“While this is a step forward it goes nowhere near far enough. The planet is in crisis. We need bold action in the very near future and this does not provide that.”

**- Bernie
Sanders**

Paris Agreement without United States

The Paris Agreement of 2015 was an iconic moment in History. Unlike its predecessors in Kyoto (1992), Copenhagen (2009) or Doha (2012), which tried to ‘force’ greenhouse gas emission cuts on its signatories, the Paris Agreement asked all the countries of the world to put forward their own plans for controlling emissions and mitigating global warming, and they did, 195 of them! The goal is to limit the climate rise to less than 2 degree Celsius by 2060, thus giving us 40 more years to clean up the environment. Every five years the member countries will be evaluated (the first evaluation will be in 2023) on the progress of their commitments and the plan for the next five years, which should be more ambitious than the previous one. This comes with no legal binding, but the Agreement works on “praise or shame” model. Additionally, the developed world has taken the responsibility to commit \$100 billion every year by 2020 to help the developing countries fight climate change. The USA leads the contributors with \$3 Billion in commitments by the Obama administration (though it has one of the lowest per capita contribution, around \$10 per taxpayer, while Sweden has pledged around \$60 per taxpayer). It has already contributed around \$1 billion, but further funding is expected to be halted.

With Trump administration pulling out of the Paris Agreement, it has put the agreement and the funds in peril. But

the situation is not as grim as it might seem to be. Trump government may have pulled out of the Agreement and domestically hindered the progress made by the Obama administration, but the momentum will not be lost simply because of one word – Economics. Since last few years, the cost of generating energy from renewable sources has reduced tremendously; in fact, like the Moore’s Law for transistors, there is the “Swanson’s law” which states that the price of solar photovoltaic modules tends to drop by 20% for every doubling of cumulative shipped volume. American companies have lead the way in this “Green Revolution” and are already reaping the benefits from it. In the USA, the coal generated electricity dropped by more than half in the last ten years; while the electricity generated by solar rose 5000%. Today, it costs less than \$8 megawatt/hour to maintain and operate utility-scale solar power plants as compared to an average of \$33 from coal (not including the \$500 million that the American government spends annually towards health ailments arising from coal usage). A comprehensive comparison can be found [here](#).

Although Mr. Trump promises to take the country back to coal, to generate employment, around 250 coal mines have plans to switch to cleaner energy. More than 300 cities and a dozen states have pledged to be committed to the Paris Agreement targets. Texas is one of the pioneers worldwide where Wind Power is concerned and is a staunch Republican State along with being an oil-rich region. While Trump administration brushes aside Climate Change as rumours, corporate America along with the states is taking the situation seriously.

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“We have opened a new chapter of hope in the lives of 7 billion people on the planet. We have (the planet) on loan from future generations. We have today reassured these future generations that we will all together give them a better earth.”

**- Prakash
Javadekar**

“This one trend, climate change, affects all trends”

- Barack Obama

Around the world, the scenario is less gloomy. While once upon a time, China and India were reluctant to be a part of such Agreements, citing massive population and relatively less economic development, now both the nations are leading the way towards the next Green Revolution. India has halted plans for building almost 14 gigawatts of coal-fired plants as renewable energy seems to be available at aggressive low costs (the recent Bhadla solar power park auction in Rajasthan saw bidding as low as Rs. 2.44 per unit for 200 Mw, while coal generated electricity sells at an average of Rs. 3.21 per unit). Additionally, the ten indigenously built Nuclear reactors in India (after years of drudgery with the USA and other nuclear fuel suppliers) will generate tens of thousands of jobs and give a boost to the economy.

In Germany, often the villages generate so much electricity from renewable sources that they sell to the main electric grid for good profits. China is steadily becoming a world leader in renewable energy's R&D.

President Trump's decision to withdraw from Paris Agreement and to kill the domestic Clean Power Plan will further boost China's role in the lucrative leadership role.

Overall, the situation looks like it can be managed. With private players recognizing the enormous benefits from renewable sources, the day is not far, when the 80-20 ratio (presently 80% of energy consumptions from around the world from non-renewable sources while 20% from renewable sources) will reverse to 20-80. To get a detailed report on renewable infrastructure investment, one can read the report by World Economic Forum by clicking [here](#).



Anfangen ist leicht, Beharren eine Kunst

Starting is easy, persistence is an art. Technically, this is the real implementation that has taken place for the companies that have grown into prosperous and dominating forces in the world today. To get lost in the sea after a fast start is one of the easiest things a business can achieve. Literally, for every business, the hidden goal is not to get lost into the dreary desert sand of the invisible sea. Let's look at a few of the greatest companies who have survived the initial troubles and have become successful today. On the other side of the coin, let's look at a few others and how they have fallen into the sea. Or in other words, "Fällt ins Meer".

Going back to the 1960's down the roots of one the uber expensive exotic car manufacturer in the world known as "Lamborghini", a fire to grow and a focus to be the best in the market propelled the aspirations of its founder Ferruccio Lamborghini into a company which is valued at over a billion dollars today. Producing sports cars is a cup of tea for Lamborghini and it is always in competition with its arch rivals Ferrari, the very reason why the company came into existence in the first place. Adjusting to the requirements of the market and an unmistakable design to stand out propelled this high-end luxurious car maker to withstand the sands of time. On the other side, the car company known as Nu-Klea came into existence in 1959 and died down in 1960. It manufactured an electric car model which was ahead of its time and consumers were not willing to accept it all. As a result, it died a peaceful death within two years of its starting date.

Now directly jumping from the 1960s to 1990s comes the story of Amazon. The e-commerce website has grown over the years due to the vision of its founder Jeff Bezos, who transformed

a startup into a multi-billion-dollar company. From initially selling just books to selling computers, smartphones, and household necessities, Amazon has grown by leaps and bounds.

On the other hand, Boo.com failed to catch consumers after a brief stint in the market. Delay in launching products and failing to keep up with the market demands resulted in a complete disaster for this company's aspirations. The company had a target of selling fashion clothing online but the consumers were not able to switch to online market for clothes from the brick and mortar stores. As a result, there was a complete failure of the business model which ultimately resulted in the failure of the company.

The above examples clearly illustrate the need for proper understanding of the consumer mindset.

After all "Verbraucher ist der König" (Consumer is the King).

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***"Tell me and I forget,
teach me and I may re-
member, involve me
and I learn."***

**- Benjamin
Franklin**

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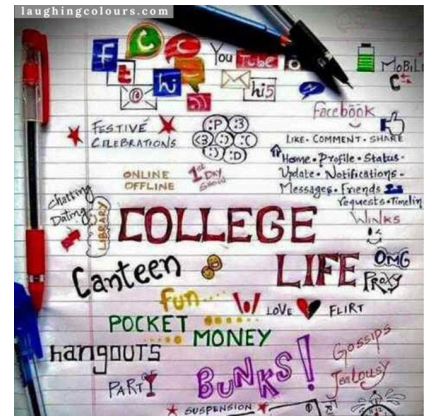
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“Live as if you were to die tomorrow. Learn as if you were to live forever.”

- Mahatma Gandhi

A Nostalgic return to our Campus Memories

The internships started off with an air of excitement. The last day of college was hectic as everyone was busy with his/her travel plans. The first day of the internship was filled with anticipation as everyone looked forward to gain a rich learning experience. Though our internship days were completely packed with work and provided us with deep insights regarding our chosen specializations, we began to miss our college. We started yearning for the gossips at Café Coffee Day, the endless chats on the benches, the midnight fun in hostels, our familiar bicycles, the roads overshadowed by trees and the list would go on. NITT has become very close to our hearts in a short span of time and we can't wait to get back there. Now, as the eve of our internship completion is drawing near, we are quite eager to get back to our campus life. And by the time we return to NIT, a fresh batch of juniors would be waiting to be greeted by us. We are all set to give the juniors an awesome welcome, similar to the one that our seniors gave us. We are impatiently counting down the days to get back to the college, meet up with our friends, and catch up with the two months' stories. Finally, we are struck



with the realization that we have just a year more to spend in this glorious campus. We do intend to make the most of it and we are looking forward to a fun-filled year ahead!

networking
engagement independence exceptionally useful stepping stone decision making training
interpersonal skills personal development confidence
communicating initiative cv boost
liaising employability skills project management career development
responsibility inspiring experience great opportunity team working interview ideas
career plan

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***“It’s not about ideas.
It’s about making
ideas happen”***

- Scott Belsky

Work of an MBA Graduate

What kind of managers
Are India producing?
Job seekers or job pro-
viders? The need of the
hour?

India is one of the fastest growing economies in the world, with all the reforms brought by the government to foster business in the country. Due to several relaxations in business policies, many companies have come to India to set up their base in the country in order to have a healthy business, such as Microsoft, Apple, Foxconn, Xiaomi, etc.

Reforms taken by Government:

Make in India:

One of the best initiatives started by the current NDA government is the introduction of Make in India. According to the initiative, an MNC can set up its base, produce, and sell, in India, due to the relaxations provided by the government. The initiative was very well communicated by our honourable Prime Minister Mr. Narendra Modi, and now, the hard work has paid off.

Start-up India:

According to this initiative, a start-up in various fields needs to register with the start-up India campaign. These will get relaxations on certain terms; for example, an exemption from income tax payments on income statements for the first 3 years. An initiative well thought of for our country where almost 50% of the population, who are potential employers among

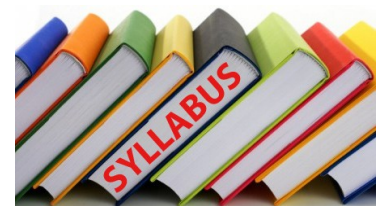
the youth, are hungry to achieve something, not just for themselves, but for the country on the whole. Many start-ups have been created after the initiation of this campaign and out of them, several have been funded by the government of India.

Despite these efforts of the government, unemployment % is not declining. What is the reason behind it?

A very simple question, yet, very difficult to answer. The government is doing everything it can. With growing population and growing unemployment, it is difficult for the nation as a whole to grow and become a super power.

Now, to solve this problem of rising unemployment in the country.

We must question our education system first. From where are the jobs going to come? Starting from engineering, MBA to every other course. We educate students to become a good employee (though recent studies and surveys have shown that most of our engineers and MBA graduates are unemployable). If this is the way education teaches our young generation to become, providing jobs can be a tough task!



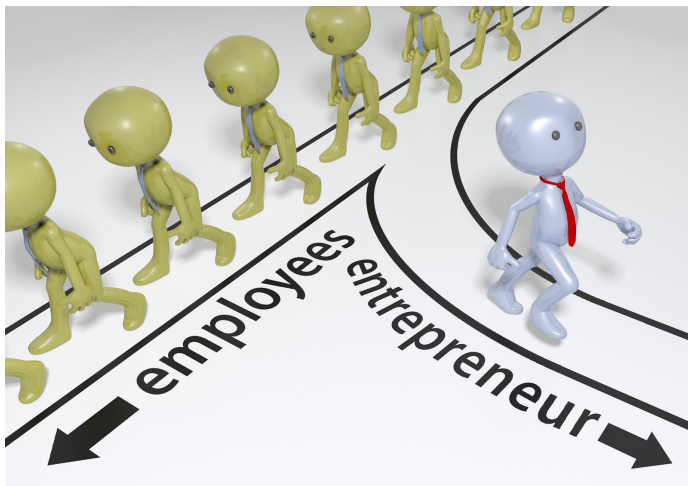
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First of all, in my view, MBA students should be moulded in a way to create employment and not to simply get employed. We should encourage students of MBA to venture into entrepreneurship. Almost 4 lakh MBA students pass out in India yearly. Even if 10% of the Students go for entrepreneurship, it will bring around 20 times the employment and it can help in a way to bring down the unemployment rate in India.

The cause of unemployment is not fully due to less creation of new jobs, but also due to poor infrastructure and education, which needs a great upliftment in order to provide quality professionals.

While on the education front it is a distant aspect, training MBA's for entrepreneurship is the need of the hour and the government should understand this need, and bring out adequate changes required to motivate MBA students to create jobs and not find jobs themselves.

In my view, MBA's should not be seen as job seekers but should become job providers.



“ There’s nothing wrong with staying small. You can do big things with a small team”

- Jason Fried

“To any entrepreneur: if you want to do it, do it now. If you don’t, you’re going to regret it”

- Catherine Cook

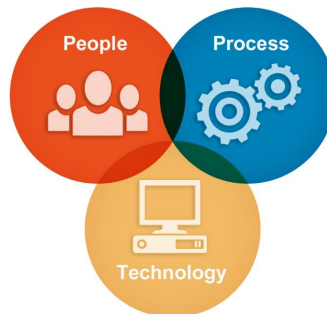
MBA in Operations Management and Linked Roles and Opportunities

Operations management is the lynchpin of businesses over the world and success can often rest squarely on its shoulders. Operations management is chiefly concerned with planning, organizing and supervising in the contexts of production, manufacturing or the provision of services. As such, it is delivery-focused, ensuring that an organization successfully turns inputs to outputs in an efficient manner. The inputs themselves could represent anything from materials, equipment, and technology to human resources such as staff or workers.

There are two big terms that can help answer the question of what is operations management more precisely: **supply chain management and logistics**. Understanding global trends in supply chain management in order to meet client demand is often critical. With logistics, the careful and considered use of resources, as well as cost-effectiveness, has become increasingly important in an era in which resources can often be in short supply and where customer expectations have skyrocketed. There are strong parallels between the skills required for an effective operations management and those needed in both logistics and supply chain management. Consummate organizational ability is crucial in successfully enhancing efficiency and driving productivity as an operations manager.

An MBA in operations management or a specialization in a related field, such as logistics or supply chain

management, should help students to enter the industry by developing the requisite skillset or to help those already in the industry to widen their knowledge and push themselves further into a business leadership role. Studying an MBA in operations management commonly offers a global perspective on industry trends and an awareness of any financial regulations or political uncertainties that could impact an organization. Indeed, risk management is getting to grips with the industry's inherent complexities and responding well to change.



The role of an operations manager in an institution varies as per the need of industry. Operations management roles within, say, a pharmaceutical company, fall under the category of production. Planning and coordinating the use of resources to ensure products are designed, created and dispatched to hospitals, chemists and so on, ensure not only the preparation of these products but also its availability to customers. Meanwhile, an airline company will often see an operations manager focus on services – transporting passengers and/or cargo from one place to another.

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“We are what we repeatedly do. Excellence, then, is not an act, but a habit”

- Aristotle

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Most companies will not fit easily into one category or the other in the entirety of its operations. The more one analyses the question “what is operations management”, the more one sees how integral the position can be to any given company, be it small or large. There are many other industries and areas where operations functions and the skills of an effective operations manager are strongly tied to an organization’s lasting success.



“ Action is the foundational key to all success”

- Pablo Picasso

“Consistent alignment of capabilities and internal processes with the customer value proposition is the core of any strategy execution”

- Robert S

Kaplan

World Bank and its role in the Global Economy

The whole world witnessed the tragedy and the destruction that happened because of the two world wars. At the end of the second world war, many countries were left in poor economic and political situations. To maintain the stability and help the countries, who were in poor economic condition, Great Britain and the United States of America worked together to come out with a solution. After conducting a series of meetings at Bretton Woods, in 1944, the world bank, which comprises of two institutions namely, The International Bank for Reconstruction and Development (IBRD), International Development Association (IDA) and the International Finance Corporation (IFC) were formed.

The World Bank, in the beginning, started to help the poor countries to fight against the issues like Poverty and Hunger, Education, Health and Economic Development. In the later years, it also included the objective of helping those countries in maintaining Gender equality and Environmental sustainability.

Every institution of the World Bank has its own objectives to work on. International Development Association (IDA) works with the poorest countries to help them grow financially. IDA offers zero-interest loans and grants them aids. International Bank for Reconstruction and Development (IBRD) borrows money from private capital markets and invests it in projects in developing countries.

Unlike IDA, IBRD will not focus on the poorest countries alone. It focusses mainly on helping the developing countries. The International Finance Corporation also known as IFC, which is a part of the World Bank group, functions much like the functions of a bank. IFC works to support private sector investments in the developing countries.

All the members of the World Bank automatically become the member of IMF (International Monetary Fund). The voting share of the member country depends on the amount of capital that the member country is investing. The United States of America ranks first in contributing to the World Bank and they have been given more power in the voting rights. Next to the USA, Japan contributes to the World Bank and they have been given considerable voting power. The World Bank plays a very important role in the development of the global economy. The key financial indicators of the World Bank for the year 2012-2016 is given below in the table.



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

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"I want to eradicate poverty. I think that there's a tremendous passion for that inside the World Bank."

- Jim Yong Kim

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	2016	2015	2014	2013	2012
Lending Highlights (See Section IV)					
Commitments ^a	\$ 29,729	\$ 23,528	\$ 18,604	\$ 15,249	\$ 20,582
Gross disbursements ^b	22,532	19,012	18,761	16,030	19,777
Net disbursements ^b	13,197	9,999	8,948	6,552	7,798
Reported Basis					
Income Statement (See Section III)					
Board of Governors-approved and other transfers	\$ (705)	\$ (715)	\$ (676)	\$ (663)	\$ (650)
Net Income/(loss)	495	(786)	(978)	218	(676)
Balance Sheet					
Total assets	\$ 371,260	\$ 343,225	\$ 358,883	\$ 325,601	\$ 338,178
Net investment portfolio (See Section VI)	51,760	45,105	42,708	33,391	35,119
Net loans outstanding (See Section IV)	167,643	155,040	151,978	141,692	134,209
Borrowing portfolio (See Section VII)	178,231	158,853	152,643	134,997	129,680
Allocable Income (See Section III)					
Allocable income	\$ 593	\$ 686	\$ 769	\$ 968	\$ 998
Allocated as follows:					
General Reserve ^c	96	36	-	147	390
International Development Association ^d	497	650	635	621	608
Surplus	-	-	134	200	-
Usable Equity^a (See Section VIII)	\$ 39,424	\$ 40,195	\$ 40,467	\$ 39,711	\$ 37,636
Capital Adequacy (See Section IX)					
Equity-to-loans ratio ^f	22.7%	25.1%	25.7%	26.8%	27.0%
<p>a. Commitments include guarantee commitments and guarantee facilities that have been approved by the Executive Directors.</p> <p>b. Amounts include transactions with the International Finance Corporation and loan origination fees.</p> <p>c. The June 30, 2016 amount represents the proposed transfer to the General Reserve from FY16 net income, which was approved on August 4, 2016 by the Board.</p>					

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MOVIE CORNER

Phas Gaye Re Obama

The Slogan “Yes, We Can!”, used by Barack Obama in 2008 presidential campaign could not be used in a better way than in Subhash Kapoor’s 2010 Socio-political satire “Phas Gaye Re Obama” to weave the then-contemporary social elements like global recession, Indian political Gundraj, Indian Education System and Indian obsession for America (which cannot be claimed to be completely out of date even today!).

The lead character Om Shastri (played by Rajat Kapoor), a bankrupt NRI from the US, visits India to sell his ancestral property to pay off his loan. But, due to the contemporary global economic downfall, he finds it difficult to do the same. To his (and audience’s!) surprise, he finds himself in a series of kidnappings by local kidnappers who also happen to be affected by the global recession.

Subhash Kapoor, being a political journalist, uses his experience to build up different characters in the story who show obsession for English and America, criminalisation in politics and realistic socio-political conditions, but still manages to keep the experience of the cinema comic. The lead character Shastri is depicted as an ultimate manager and a businessman, who uses his wit and business aptitude to get out of situations that seem impossible to get out of. Shastri is a person who understands people, their needs, and offers them exactly what they want to get out of the situation. He is confident and knows very

well how to optimize the available conditions to his maximum benefit. “Businessman hoon yaar! Chaar paise jeb me aate hi confidence apne aap aa jata hai!(I am a businessman, my confidence boosts up with the money in my pocket)”, says Shastri who knows very well how to make it profitable!

Other characters like “Bhai sahab” (a local kidnapper played by Sanjay Mishra), “Munni”(The head of an all-women kidnapping gang who hates men, played by Neha Dhupia), “Minister Dhananjay Singh” (A criminal turned politician played by Amol Gupte) and “Anni” (Only ‘educated’ gang member who accompanies Shastri throughout the movie, played by Manu Rishi) are very well written, and performed and should be given their chunk in credit for the movie.

The movie is a piece of art that serves its purpose of entertainment and at the same time, gives management and business lessons leaving the audiences with a smile and amusement. It is a must watch for aspiring managers and business enthusiasts! It is one of the lesser known ‘Desi’ options!



Snippets

Tryambak Chatterjee authored Research Paper titled “Prediction of Survivors in Titanic Dataset: A Comparative Study using Machine Learning Algorithms” has been published in the “International Journal of Emerging Research in Management and Technology” , Volume 6, Issue 6, June 2017.



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