



SVKM'S  
**NMIMS**  
Deemed-to-be UNIVERSITY

SCHOOL OF  
BUSINESS MANAGEMENT

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சலகா

# MANTRANA

Is the consulting field getting Murkier?



## **iCON**

iCON is the consulting and strategy division of the Industry Institute Partnership Cell(IIPC) and works towards the interests of students who see themselves as future consultants. A glimpse into some of the major events:

### **❖ Management Consulting Conclave**

In association with The Institute of Management Consultants of India, iCON organized the Management Consulting Conclave that brought top level consultants and seasoned experts on a common platform to discuss about the current scenario and future of consultancy as a domain. The two-day event encompassed five different fields including Big Data, Rural Marketing, Media, Infrastructure and Entertainment and witnessed addresses by prominent business leaders such as Guru Adarakatti (Country Survey Leader, IBM), Mr Anuj Bhargav(IP President, IMCI), Mr Pratip Mazumdar(Associate Director, IIF), Ms Deepa Thomas(Head, Corporate Communication, eBay India) and Mr Atul Tewari(COO, Quikr) to name a few.

### **❖ HR Conclave**

iCON was one of the stakeholders in organizing the HR Conclave 2014. The event, aimed at change management, was designed to have a high amount of interaction between the students and the corporate professionals. iCON presented a documentary on “Role of HR in Change Management” by interviewing experts on different emerging issues in the field of HR. This background research involved senior level HR professionals such as Mr Dhruv Desai(Sr VP & Head HR, Angel Broking) and Mr Alfred Mendes(Head HR, Personnel Search Services). The event highlighted prominent industry practices, new ideas and the scope for future development in the field of HR with the expertise of speakers onboard like Mr Himanshu Saxena(Head, Strategy Alignment, TCS) and Mr Manish Kotwani(VP, HR, Sterling Backcheck).

### **❖ Elixir**

The second edition of coveted case study competition 'Elixir' was organised in association with the pharmaceutical giant Lupin and ADVFN as the associate sponsor. The competition had prizes worth Rs 2.25 lacs and an exclusive chance to bag a PPI. The management strategy of the participants was evaluated over all the domains from marketing to finance by the top management of Lupin itself. The gruelling competition saw entries from over 145 teams and the final showdown had 11 teams battling for the apex position. Elixir was won by the team NM Stalwarts from NMIMS, Mumbai.

### **❖ Consulting Workshop- Zenesys**

A guest session was organized by iCON in association with Zenesys to give an insight into the life and skills of a consultant. The students were made aware of the competencies needed for pursuing different spheres of consultancy. This was followed by a workshop to train the students and help them recognize and develop their skills.

### **❖ Consulting Corporate Projects**

The constant endeavour of iCON has been to provide students with opportunities to pursue their interests in consulting by bringing in corporate projects that would nourish their intellectual capital and provide an exposure in this field. Some of the projects that students have successfully undertaken are at reputed firms like Gladiris Consulting, Amadeus Consulting, Open Spaces Consulting & Venture Bean Consulting.

## Team iCON

### Our Jury

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## Preface

**In every society, some men are born to rule, and some to advise.**

**Ralph Waldo Emerson**

Mantrana is an effort to capture a moment of the continuously growing and vividly expanding domain of the most sought after word in the industry Consulting. Consulting in its simplest definition means giving advice and opinion about an issue that you have an expertise in, but considering today's scenario where the businesses are expanding and the barriers of boundaries swiftly disappearing, consultancy has evolved into a multifaceted service that caters to all domains and aspects of business structure, strategy and systems. Another way to put it would be, "A consultant has an idea about all trades", which is also the aim of this magazine, to help MBA students to have a flavour of all trades and get them an insight into the fascinating world of consultants.

Technological advances, evolving business processes, new business domains and new markets have given a strong push towards the development of industries and have them working in full force. As they enjoy the benefits of such advantages, they are also rendered in the shadow of uncertainty and indecisiveness and are caught up in huge grey area. Keeping in context the above mentioned problems, this edition of Mantrana brings about the views of industry stalwarts, seasoned consultants and experts of different domains of consultancies to provide students an idea of the skills and competencies needed to become future consultants and the trends being observed in the current market scenario.

In our endeavour to explore the roles of a consultant, we were amazed by the gamut of services that a consultant can provide in an organisational perspective. When it comes to design, a consultant can assist in developing supply chain models, manufacturing execution systems, project planning, monitoring and controlling systems and performance evaluation of public and private sectors and financial restructuring. The roles vary from survival to sustenance to innovation, thus giving a bird's eye view to the consultancies about organizations and sectors.

This edition of the magazine explores all such possibilities and beyond to bring a comprehensive idea about the future of consultancies. With articles and guest columns from highly recognized and respectable individuals around the world, we have tried to bring in a global perspective as well. We hope that the magazine preps up your interest in this field and contributes to your knowledge.

We did a blind review for the articles and are thankful to the faculty members for reviewing them. Our IIPC team that spearheaded the initiative was relentless in their efforts to broad base their search for the articles and were successful in influencing people to spare time for writing their thoughts. I earnestly hope that this magazine becomes a regular feature of IIPC.

Dr.Mrs.Bala Krishnamoorthy  
Faculty in Charge, IIPC

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## **Consulting agility in a dynamic business environment**

The challenges that businesses face in the current market have never been as daunting & dynamic before. The level of innovation & disruption across industries being observed requires businesses to have agility & an ability to respond to change swiftly. Serving the clients of today has made times for those in the consulting arena much more challenging, diverse & hence exciting. It is being observed that the share of work that is classic strategy has been steadily decreasing over the years. The traditional consulting services offered across business & enterprise functions like operations, HR, finance & marketing have now given room to introduce & accommodate consulting across areas like Sustainability, Energy Management, Climate change strategy, Tailor for Emerging Economies, Business Process management, Leadership consulting, Cultural change management consulting, HR transformation & organizational behavior transformation, Analytics & Innovation & disruption offerings across industries.

As new competitors with new business models arrive in the market, consulting firms too need to realign their strategies & revisit their offerings. While the big consulting firms expand their wings & lure clientele to choose them as a one-stop shop, we do see a large number of niche consulting firms that have sprung up in the recent past to offer services in specialized areas like brand management consulting or IT security consulting to name a few. We think times are exciting & it's one of the best times to be a part of the consulting journey.

A firm in business today is out there to make profits for shareholders, but not at the expense of quality in the service offerings. Therefore as the consulting offerings expand, they try to bring in the best of all worlds/industries/business functions and help strategize & implement what's best for clients which would ensure that the clients remain competitive & relevant in today's market

*By: Mr. Anoop Nair*

*Functional lead and a Senior Business Analyst in the HR building Business Intelligence Reporting Solutions, Accenture*



*Mr. Lalit Lohia*

*Digital & Business Transformation group  
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*David Espinar*  
*Entrepreneur, Corporate Social*  
*Responsibility and Reputation*  
*Consultant*

### **CSR Consultancy- The need and emergence**

Is business changing? Obviously, as the whole society, companies and governments have been renovated, internally as well as externally, businesses have seen a complete turnaround in the manner they function and exist. Society, ethics and business, which used to be separate value systems, cannot be seen as independent factors anymore. The organizations of today are evaluated not just in financial and productivity terms but also upon the impact they are making on the society. The stakeholders of an organization have become vast and each of them has a different expectation from the company. Companies realize the need to be better and improvise on the way they function, their long term goals, sustenance, employees and their image, and this does not happen suddenly, due to a magic touch or something that has just landed into their activities. Business is made of details and most of them come from outside. Consultancy, mostly in social, responsible and environmental terms, is becoming more and more important for the new model of business.

Once a firm has an own department dedicated to a concrete area, both costs and reality tend to open the door to external professionals, who are not directly linked to the business itself and who have a wider view of those issues. Many times a company only looks into itself instead of sharing knowledge, experiences and progress with all its stakeholders, competitors included. This wide point of view is the strongest value of consultants. A consultant is a general expert who has had experiences of various industries, organizations and functional domains.

Business must consider society and there is no way to be successful without respecting that. There are other motivations rather than money and consultants show businesses the way to achieve social, environmental and economic issues that bring success closer. Earlier, open minded managers used to trust in consultants to get the paths that were needed to develop business strategy and the old fashioned model has showed its weaknesses during the present crisis. If companies and governments would have been concerned about social aspects, most of the problems could have been confronted and, even better, foreseen. Consultants are the key to deal with kind of inbreeding by detecting and fighting the bad practices that are carried out by traditional business model.

Considering the need rather than the demand, it is a confident statement to make that social and environmental consultants have a true chance today and the future. The dominant story of capitalism only considered tax, law and economic consultants, while in the evolving scenario, as a business, to change this old story, there came opportunities altering the need for conventional skills and demands for the professionals who can help make a company, a better company and the people, better people.



*Deepanker Saxena*  
*Chief Operating Officer – Let Me Know*  
(<http://www.letmeknow.in>)  
*Founder – GraysLab*  
(<http://www.grayslab.com>)

### **Young Entrepreneurs-Empowering the Indian Economy**

“Success comes when thousands of hours of  
Hard work meets one moment of  
Opportunity “

We at Let Me Know try to bridge the gap between the student and the rightful opportunity by providing free consultation to the masses through the most dominant information sharing platform – “The Internet”.

Started in 2007, LetMeKnow has grown as one of India's largest web portal for youth opportunities with over 1 lakh Subscribers and 11k+ opportunities listed since inception. We've increasingly become a very popular and time-efficient portal for companies, start-ups, universities, associations, and student bodies to advertise their competitions, conferences, events, internships, jobs or their organization

altogether thereby quickly gaining access to a diverse pipeline of self-selected talent.

It has been over a year that I am working with the company and I have observed that the students around the country have a lot of potential and talent but no means to channelize that potential.

In this era of start-ups, young entrepreneurs need efficient workforce and students need the right workplace and destination to their talents; and we provide people the right opportunity, helping develop the base of the Indian economy.

As an Entrepreneur, managing technical consultancy through my own start-up that helps the small scale enterprises to be strong on the technical side providing them with online presence and delivering software solutions that improve business performance of the clients and turning their initiatives into successful ventures, I've realized that most firms still lack the innovation and hence need consultants to give them a wider perspective and give broader wings to their dreams and ideas.

It feels great when companies come with seed of ideas; we nurture them by giving the right technology and future marketing and branding strategy to make them a strong tree in the business world.

I always believe age is just a number, even though being only 21, handling start-up operations and meeting giants of the industry is always a learning experience with a lot to gain at every step.

*Siddharth Hazarika*  
*PE & CE Consultant*  
*Accenture Services Pvt. Ltd*  
**The Power of Knowledge**

Ever noticed a cricket captain (say MS Dhoni) walk up to his fast bowler (say Ishant) and give advice on how to bowl? Ever wondered if Dhoni actually knew more than Ishant about bowling? Well he perhaps does not. But what Dhoni has in his favour is the advantage of hindsight. He can see the picture after, or even the overall picture that Ishant might sometimes miss. Even the best (even though admittedly Ishant is nowhere near), need reminding what they are good at. A fresh set of eyes if you will.

At every alumni meet for my business school, all my seniors seemed to drive home one point more than all others. “You lot might be investing all your time and energies into your core specialty areas like, finance, marketing etc. As you rightly should. But the education that you would need most in your career is from your Organizational Behaviour classes.” These classes might seem like a set of anecdotes and very global BS to most students, but this is what you definitely need to be armed with. Understanding how to deal with people, with groups of people.

To me, in my 8 odd years of professional life, sometimes that’s all there is to it as far as consulting goes.

A FRESH SET OF EYES. And of course a clear uncluttered mind also helps. When I first walked into a client office I was much more than intimidated.

Holy Cow, I thought to myself, all these really smart Ivy League educated folks, what the heck am I going to “consult” them on? They obviously know way more than I do about what after all was THEIR day to day business we are looking at. But then, as it all began to sink in as conversations started getting more intense, it did not take a long while for me to realize that even they were human after all. Even the brightest can sometimes miss the simplest, most basic things. And all my job would be was to just point them in the right direction.

Of course the next question then is, why should they listen to me? Why should they listen to an absolute nobody who they can so easily dismiss as a novice? One word: data. More you back up relevant data with facts/analyses the more likely you are to be listened to. Going back to our cricket example, Ishant is more likely to pay attention to Dhoni if Dhoni tells him exactly what kind deliveries did what on how many occasions in the last over. It is just plain human nature.

All the rest are things that one develops along the way depending on individual idiosyncrasies and creativity or lack thereof!





*Abhinav Sahai*  
*COO-Niswey Digital Marketing*

### **Experiences of working in consulting roles and the future scope of this field**

It's been three years since I have been in the digital consulting space. It's tiring yet exciting, time consuming yet challenging, mentally exhausting yet enjoyable. It's about questioning the status quo. At every point, you'll have to question, "Why is it done 'this' way and not 'that' way?". If you like being the bouncing board of people, you'll love it!

Management consulting roles in general are tough, because you need to really get into the genes of the organization you work with. Plus, you need to understand all roles - from operations to marketing to sales to finances. A consultant's bottom line is to improve revenues or profitability. It could either be by increasing sales or by reducing operational expenses. So you *\*have\** to understand all roles and get into the details of it. From the outside, saying that a certain task should be performed in a

particular manner is fine, but the real challenge is to actually deliver it. That's where most consultants fail. At the end of the day, the business will look at numbers and if your ideas do not change that, you'll be termed unsuccessful.

To build competencies, start with marketing. The biggest challenge will be to prove your worth in the company. The best way to win confidence is to show revenue increase, and marketing is the way. The easiest way to build any competency is by doing it.

Technology is a key tool, the quicker you adapt, the easier your job will be. Most of the things today can be automated, but you need to know the right tool for it. The learning curve is steep.

But the most important skill is the ability to understand businesses. Your growth as a consultant will depend a lot on this skill. Then focus on getting a good case study with a customer. A couple of good case studies and your growth can be exponential!



Even the large consulting companies are building execution strengths now, by partnering with other companies, if not hiring in-house.

So while we started with consulting, we merged with a company which excelled at execution.

An illustration on a yellow grid background. A hand in a white sleeve is tipping a balance scale to the right. The left pan contains a green question mark, and the right pan contains a red question mark. A green line graph with a downward trend is visible in the background.

## By having great people around me



*Mahesh Vallabh Pandey  
Transformation Program Management  
Tata Consultancy Services, Europe*

### **Consulting- An overview**

#### **1. What is consulting?**

Consulting is a term that invokes a sudden gush of feeling of knowing more than the others. It starts from the problem or issue an entity has, along with an urgency to seek a solution and ending at acknowledging the problem or issue not existing anymore.

Consulting can range from being non-professional like suggesting a good restaurant around to professional ones, including Management Consulting, IT Consulting, Business Consulting and others.

#### **2. How is the market appetite for different types of Consultancy?**

Big corporations are extremely spirited towards Information Technology, Business and Management Consulting, while being supple for the other types of consulting in terms of the acuteness of the organizations' wants and needs.

If we review the demand and supply of the Consultants available with the requisite skill sets, associates capable of performing IT Consulting would stand ahead at the ticketing window. Multibillion dollar firms like TCS, Infosys and others have carved a niche while assisting big Corporations with developing and redeveloping their IT Architectural ecosystem.

Changing business models, emergence of new technologies, buyer segments and solutions for emerging markets will help India retain its position as the global sourcing leader and an emerging trustworthy innovation hub.

We expect the IT and BPO industry to clock export revenues of USD 84-87 billion maintaining a growth rate of 12-14 per cent. Domestic revenues will also grow at a rate of 13-15 per cent and are expected to reach INR 1180-1200 billion.

#### **3. Can we know the different players in the market providing the Consultancy services to the various organizations?**

From a modest start to now being recognized as the bellwethers, several other firms like Cognizant, Wipro, Tech Mahindra have reached up fast on the growth path (in terms of the revenue, organic and inorganic growth) along with the other players of the milieu.

Not only bigger in size in terms of the global reach, but also in providing the number of services, Consulting firms like the Big Four ones--Ernst & Young, Deloitte, PricewaterhouseCoopers and KPMG have been ahead in terms of providing their

Customer with consultancy not only in IT, but in the areas of Tax, Audits, Advisory services as well.

4. How do I choose my prospective employer, industry and area of operation?

Even though it's bit tricky to choose a firm as your future employer, there are several factors that can be easily analysed to arrive at the decision quickly. One needs to ensure of the basic qualification required for a specific Consultancy firm. It is almost the same, with little variation. This is required because the specialized areas like Tax Consulting, Audits, etc. requires specialized skills that only a multi-year/months course can offer. Aptitude comes second, because on the contrary to basic qualification, aptitude can be developed without going to an institution or investing too much of the time at hand.

Then comes making a choice of the industry the candidate would want to be a part of. Several factors play a vital role in making this choice. Primarily, it is governed by the industry's planning for growth and secondarily by the number of matured players in the market to implement and execute the planning. Passion for a specific industry can get someone to the echelons of excellence and supremacy.

5. Can I know what all markets, requiring Consultancy, are slated to see a steep rise in the coming years globally?

The global Consulting markets that could see a steep rise, though gradually are Aerospace and Defence; Consumer Products; Healthcare; Life Sciences; Media;

Technology; Travel, Hospitality and Leisure; and Telecommunications.

But above the all, it's one's love for the activity called Consulting takes the lead in deciding a stream.

6. How a Consulting Organization is usually structured?

Usually, a Consulting Organization is structured based on the industries it serves. They are termed as Verticals or Industry-specific Units (ISUs). Cutting across these Verticals are support Organizations like Technical ones, CoEs and/or non-Technical ones like HR, Infrastructure services, etc. Since last few years, the organizations have been following the role-based model wherein, specific and several roles are defined in a particular grade of designation. This assists the organization in getting driven to a performance-oriented entity.

Now, if we look at the positions different organizations may have, we would have typical kind of hierarchy in place:

- Trainee->Information Technology Analyst->Assistant Consultant->Associate Consultant->Consultant->Senior Consultant->Principal Consultant->Vice Presidents->CEO
- Intern/Trainee->Systems Engineer->Senior Systems Engineer->Team Lead->Assistant Manager->Manager->Senior Manager->Partners->CEO&MD

Different positions have different roles & responsibilities as they are based on the skill set, years of experience, performance the role holder might have.





*Sudeep Mehrotra  
General Manager, APM Terminals*

### **Role of consultants in Infrastructure**

Infrastructure is an important enabler of economy. Effective and efficient infrastructure leads to lower transaction costs and results in eco-system conducive to economic growth. Infrastructure is a complex industry compared to others due to following reasons:

- The beneficiaries are numerous and of different types. The actual and perceived benefits for every user is different
- Willingness to pay and mythology of transaction is not easy to establish
- Network benefit is enormous. There is domino effect on various asset classes due to quality and availability of infrastructure

Traditionally Government agencies have been sponsors of infrastructure projects. Lately, there has been participation of private companies in this space. This has led to evolution of infrastructure advisory in the country. The evolution in Indian context can be described as below:

- In 1990s, Infrastructure advisory involved working with Government

on feasibility studies and techno-commercial assessment of Infrastructure projects. Towards the end of the decade, focus shifted to helping the government through private participation in the sectors especially in ports and energy. This resulted in ad-hoc design of concessions and development of concept plans

- The era of 2000-2005 can be defined as era of standardization for infrastructure. There was a thrust on standardizing structures and projects. Consulting companies were involved in designing of model concession agreements and bid process management for various kinds of infrastructure. Road and port sector took a lead. Big 4 invested in large teams focused on this sector. ILFS, CRISIL, Feedback and other niche companies built large infrastructure advisory practice
- The next 5-7 years was the era of improvisation & correction. Various models were experimented. Metro, airports and expressway projects took off. New concepts like SEZ and FTWZ were introduced. Power sector saw a lot of participation. Infrastructure advisory companies diversified and started advising private customers on specific transactions. The government related work became commoditized and consulting companies started becoming transaction partners for a specific tenure rather than supporting specific bids. This period also saw a lot of M&As and PE investments in this sector. This resulted in consulting companies investing in diligence and investment advisory related work. The last two to three years have seen a dip due to macro-

economic factors and lack of decision making in the government



- The next few years will be era of innovation. Many segments within infrastructure are expected to see significant change in the regulatory framework. This will involve infrastructure consulting companies design solutions for future and correct anomalies of the past. The focus is expected to be in the road and energy sector initially. Also, integrated planning and execution is expected to result in advisory work which will involve in-depth planning of large mega projects. Regulatory involvement is expected to diminish and hence the process and model will also undergo a change in almost all infrastructure segments.

Currently more than 3000 individuals work as advisors and consultants in leading consulting companies within the infrastructure teams. This number is expected to double in the next 5 years. This is largely so because business models are becoming all the more intricate and size of infrastructure projects is changing from a few hundred crores to thousands of crores (case in point is that of dedicated freight corridor). This growing complexity requires advisory in the form of both technical and commercial assessments to structure large

value transactions in the most efficient manner.

The kind of unique capacity, capability and confidence that the advisors bring to the table have made their participation in the value chain all the more crucial. This is precisely the reason why IDFC advisory earns more than 50% of its revenue from Infrastructure advisory alone. Add to it the fact that this industry is cyclical in nature like FMCG & telecom wherein product does not change but structure changes every year to bring a new dimension to the business. Every time a structure changes, a lot of opportunity arises for advisory. This means that the industry needs more and more fresh management graduates not only to handle the increase in the business volume but also to understand the paradigm shifts happening in the way the business is conducted.

Now the question arises that do we really have this pool of management graduates from where we can service this demand? Well, the answer is a big no. There are very few people who understand complexity of infrastructure sector in India and this is because we do not have specialized courses on Infra-consulting as such which can make the candidate job-ready. This gap between the possessed skill-set and the required skill-set keeps on widening with every new business cycle that changes the entire transaction structure & every hundred crore increase in business volume that demands more shrewd thought process. Thus, the graduates who have the potential to exploit this gap will reap premium over the others.





*Ganesh Ramamurthy*  
*Head – Audit (Refining & Marketing)*  
*Reliance Industries Limited*

### **Oil & Gas - The “new normal” in a VUCA world (Volatile, Uncertain, Complex and Ambiguous)**

The fall in crude prices could not have happened at a better time for the new Indian Government at the centre. “Acche Din” have started without anyone having to sweat. For countries like India and China, which are amongst the largest emerging economies and energy deficient, the fall in crude prices provides a much needed fillip to the fledgling economy. Crude prices falling in excess of 30% in just over three months have made it easier for the government to fully de-regulate diesel pricing. The acid test will be if and when the prices rise again to three figure levels. The big question though is whether the policy makers have the conviction to stay the course chosen and not be swayed by political compulsions to regulate prices?

In this article, I would like to analyse first the causes behind the recent trends and then take some time to introspect about what all this means in the context of India sustaining its growth story and moving towards energy security. First let us look at the causes for the recent fall in prices.

Firstly, the shale gas and tight oil revolution in the US has exceeded all expectations and weakened the pole position that OPEC traditionally enjoyed in setting the price standards. OPEC is now chasing the game rather than setting the standards. Thanks to the US government’s policy of not allowing crude exports, US crudes that are land locked have been trading at significant discounts to crudes that price basis the European and Asian benchmark crudes (such as Brent, Dubai, etc). This coupled with the cheap natural gas in the US has resulted in US refiners enjoying a distinct cost advantage over their European and Asian counter parts. The surfeit of US exports to Europe has resulted in sustained pressure on product cracks (difference between price of products and crude). Secondly, US demand for West African and Middle Eastern crudes has waned considerably resulting in more of these crudes flowing to refiners in the Asian region at attractive discounts. Thirdly, geo-political factors that seemingly threatened to induce supply constraints due to conflict in Iraq and Libya seem to be gradually easing off. Fourthly, the world economy seems to be growing at a rate that is not as robust as what was earlier anticipated. GDP growth in China has plateaued at about 7% and India is languishing at levels around 5%. In other words, the forces of demand and

supply have once again conjured to ensure that prices reflect the structural shifts and corrections in global energy markets. While there could be temporary volatilities in the oil markets brought about by short term demand / supply imbalances resulting in price increases, over the medium to long term it looks unlikely that oil prices will rise back to three figures. For global economies to recover, crude prices in excess of \$ 100 are not sustainable. So there is every indication that “Acche Din” are here to stay.

There is also an argument being floated in some quarters that the days of cheap oil are over because most of the new production from off shore deep water fields and shale formations has significant cost implications in terms of technology, safety, environment and compliance. It is being said that these new projects will not be viable or break even at price levels below \$ 80 and hence oil prices need to be closer to or more than \$ 100 to sustain these projects and fructify the reserves. While this argument does have some credence, in the longer term prices will always be influenced by market factors. Unless growth rates in BRICs, Latin America and Africa rise significantly and this is accompanied by production shortfalls due to closure of new projects or sustained geo-political events, it is unlikely that higher oil prices will sustain.

Against this macro-economic backdrop, let us pause and reflect on the oil and gas industry in India:

1. India imports close to 75% of its domestic crude requirements.
2. The country's crude production with the exception of recent production increases

in Barmer, Rajasthan has not increased in recent years.

3. The regulatory instability in respect of cost recovery and pricing has meant that global energy majors and other internationally well-established National Oil Companies (NOCs) are adopting a “wait and watch” approach with respect to investing in India.
4. While the country is crude deficient, significant additions to refining capacity within both the public and private sectors has meant that the domestic demand for crude has continually increased at a rate faster than the increase in demand for petroleum products. In fact, India has positioned itself as a low cost producer and exporter of refined petroleum products. What this means is that the country processes crude in its refineries that exceeds its domestic requirements by about 20%. By the same logic, most of this surplus production is exported thereby contributing valuable foreign exchange to the country.
5. The public sector oil marketing companies have always operated with the primary objective of first fulfilling the country's need for petroleum products. Hence they have not necessarily invested growth capital keeping in mind the profit objective and in times of very high oil prices, they have had to stay afloat with the assistance of state subsidies. At the same time, the private sector oil companies in the downstream refining and marketing business have not had similar restrictions. Some of them have built



very viable global business models by harnessing their export and trading capabilities.

All of the above brings into sharp focus certain key questions that policy and law makers need to collectively address in the context of achieving energy security. Achieving energy security entails addressing holistically all aspects relating to governance, operations and performance of the industry. Decisions need to be made that will address structural imbalances in both upstream and downstream segments of the industry, ensure level playing field for all players in the industry and bring in fiscal regimes that will provide much needed confidence to the industry to take a long term view. To be more specific, this entails focussing on the following areas:

1. Fostering a climate that will facilitate entry of International and other National Oil companies to work closely with their Indian counter parts in augmenting domestic production of oil and gas
2. Government's role in the sector to be restricted to providing directional guidance rather than rules on operational aspects such as pricing and asset development plans. The government should refrain from areas other than entry / exit barriers and taxation.
3. Fiscal regimes governing company operations (e.g. production sharing contracts) should be flexibly designed to facilitate course corrections and should be responsive to addressing project complexities that may impede compliance.
4. Provide a mechanism whereby oil and gas companies in the public sector are able to compete with their national and international counter parts in the war for technology, talent and innovation. To achieve this, PSUs need to be run as independent board managed companies accountable to all their shareholders rather than just the government as the promoter.
5. Enhancing the technological, safety and environmental standards across the spectrum through leading edge tools and technologies
6. PSU exploration companies should be given the leeway to invest in strategies that will help the country achieve its long term ambition of extending its foot print of exploration and production assets on a global rather than a national scale. This requires PSUs to be nimble in their acquisition and divesture strategies.

*The views are personal and do not in any way reflect the views of RIL as an organization*



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### **Financial Inclusion as a business Opportunity**

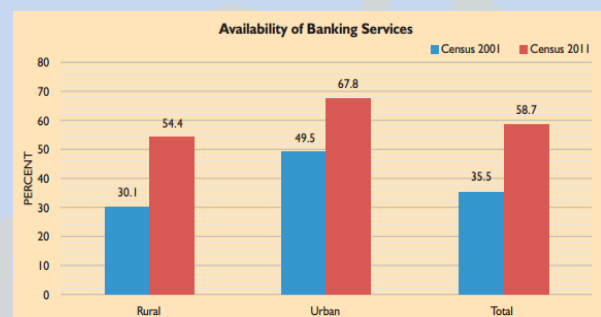
*“ABC of county’s Development: Access to  
Banking and Credit ease”*

India celebrated her 68th Independence Day on 15th August, 2014. It is awful to see that almost half the country is still unbanked. Only 55% of population have deposit accounts and 9% have credit accounts with banks. There was only 1 bank branch per 16,000 people.

India is known to be the second fastest growing economy in the world. Majority of the population of India resides in rural areas. Thus, for economic advancement, development of rural area is a key step for a country like ours. Employment, economic growth and poverty reduction are primary tools of economic development. For economic development of rural mass, proper access to finance is a key requisite. Credit is one of the very important inputs of economic development. The timely availability of credit at an affordable cost has an immense role to play in contributing to the well-being of the weaker sections of the society.

The Indian financial system is considered to be one of the finest systems in the world. India has an enormous network of institutional credit i.e. credit offered by financial institutes like banks. It is only because of the strong grip of the financial system that even the global financial crisis could not affect India that severely. Table 1 shows the availability of Banking Services

Table 1: Availability of Banking Services



In spite of having such a strong financial system it has been evident that financial awareness has not been able to penetrate into the rural sections of the society. Non institutional credit givers in the form of money lenders still continue to grasp the poor in their clutches. Hence, in the recent years the government and Reserve Bank of India has been pushing the concept and idea of financial inclusion.

The committee on Financial Inclusion (chairman: Dr. C. Rangarajan, 2008) defined Financial Inclusion as “*The process of ensuring access to appropriate financial products and services needed by vulnerable groups such as weaker sections and low income groups at an affordable cost in a fair and transparent manner by mainstream Institutional players*”

## **Importance of Financial Inclusion in India:**

1. Create a platform for inculcating the habit to save money

- Lower income groups are not money savers which makes them a vulnerable lot. This is because of their living under the constant shadow of financial duress. Thus, a critical tool provided by the presence of banking services and products aim to inculcate the habit to save.
- Once financial inclusion measures materialize, (as people move away from traditional modes of parking their savings in land, buildings, etc.) Capital formation in the country is also expected to be boosted.
- Providing formal credit avenues
  - Since half of the country's population is unbanked, thus so far this population has been vulnerably dependent of informal channel of credit like family, friends and moneylenders.
  - If adequate and transparent credit from formal channel is available, then it will allow the entrepreneurial spirit of masses to increase outputs and prosperity in the countryside.
- Plug gaps and leaks in public subsidies and welfare programmes
  - Kind of monetary support extended to an economic sector with an aim of promoting economic and social policy is referred to as public subsidies.
  - A significant amount of money that is meant for the

poorest of poor leaks and does not actually reach them.

- Government is therefore, pushing for direct cash transfers to beneficiaries through their bank accounts rather than subsidizing products and making cash payments. These efforts require an efficient and affordable banking system that can reach out to all. Thus, a push for financial inclusion.

## **Initiatives taken by Government of India for Financial Inclusion**

1. Pradhan Mantri Jan Dhan Yojana: National mission launched on 28<sup>th</sup> August 2014 and will last until 14<sup>th</sup> August 2015, offers banking facilities to all households in India.

Target is to enrol seven crore households and open their accounts.

- It is aimed at bringing at least 75 million un-banked families into India's banking system by opening two bank accounts per household in rural and urban pockets. Table 2 provides Financial Inclusion - Summary progress of all Banks including Regional Rural Banks (RRBs), during five years period.
- All such accounts are being linked to the RuPay debit card, a domestic card network.
- Every individual who opens a bank account becomes eligible to receive an accident insurance cover of up to Rs.1 lakh and once the bank account has been active for six months and linked to the account holder's Aadhaar identity

number, he or she would become eligible for an overdraft of up to Rs.5,000.

Table 2: Financial Inclusion - Summary progress of all Banks including Regional Rural Banks (RRBs), during five years period are as under:

Particulars	Year Ended 2010	Year Ended 2011	Year Ended 2012	Year Ended 2013	Year Ended 2014
<b>Banking Outlets in Villages</b>					
a) Branches	33,378	34,811	37,471	40,837	46,126
b) Villages covered by BCs <sup>1</sup>	34,174	80,802	1,41,136	2,21,341	3,37,678
c) Other modes	142	595	3,146	6,276	--
d) Total	67,674	1,16,208	1,81,753	2,68,454	3,83,804
Urban Locations through BCs	447	3,771	5,891	27,143	60,730
<b>Basic Saving Bank Deposit A/c- branches</b>					
a) No. in millions	60.19	73.13	81.20	100.80	126.00
b) Amt. in billions	44.33	57.89	109.87	164.69	273.30
<b>Basic Saving Bank Deposit A/c- BCs</b>					
a) No. in millions	13.27	31.63	57.30	81.27	116.90
b) Amt. in billions	10.69	18.23	10.54	18.22	39.00
<b>OD facility availed in BSBD's account</b>					
a) No. in millions	0.18	0.61	2.71	3.92	5.90
b) Amt. in billions	0.10	0.26	1.08	1.55	16.00
KCCs (No. in millions)	24.31	27.11	30.24	33.79	39.90

Source: Table IV7, RBI Annual Report, 2013-14

<sup>1</sup>Source RBI. "Rural" areas are defined as those centres which have population of less than 10,000.

USSD- Unstructured Supplementary Service Data proposed to be launched by NPCI

<sup>2</sup>One BC can cover more than one village

## 2. Bank account opening make easy:

- To open a savings bank account at a public sector bank the requirement of many formalities like the presence of an Introducer who already has a bank account in that branch, all these conditions are waived off at the enrolment camps making it easier for new customers to open a bank account.
- In June 2014, the Reserve Bank of India simplified the KYC Norms for

opening a Bank Account. All you need is one documentary proof of address (current or permanent)

## Initiatives taken by banks on Financial Inclusion

### 1. ICICI Bank



#### Targets:

- Aims to Opens one lakh accounts under this programme
- Aims to cross 20 million accounts by end of this fiscal

#### Incorporation:

- Reaching rural India:

ICICI Bank added more than 75% of its new branches in rural and semi urban areas in fiscal 2014

- The Bank has a robust network of 3,763 branches, out of which, more than 50% are in rural and semi-urban areas
- Last fiscal, the Bank also launched 'Branch on Wheels', a mobile branch that travels through a cluster of unbanked villages on a given schedule
- This year, the Bank has launched Tab Banking for its rural customers to enable opening of savings accounts and applying for loans, at their doorstep
- Access to banking:
  - ICICI Bank has opened 18.5 million basic savings bank deposit accounts so far
  - It has reached out to over 15,600 villages through its



branches and Business Correspondents (BC) network

- It is a leading provider of Electronic Benefit Transfer (EBT), having initiated EBT payment facilities in 72 districts across 13 states

- Access to credit:

- ICICI Bank offers a comprehensive product suite covering the entire agricultural value chain including loans to seed/input dealers, crop loans, loans for farm equipment, agricultural term loans for irrigation and dairy, farmer warehouse receipt finance and loans to Self Help Groups (SHG)



## 2. Indian Bank:

- National Pilot Project on Financial Inclusion (NPPFI)
  - No frills Savings Bank account were provided to all the households of Mangalam village in the Union Territory of Puducherry
  - Small overdraft facilities were allowed in the SB accounts (OD/SB) in order to cater the account holder's general purpose or consumption needs, which eventually will provide credit history for the future.

- Those who took up the income generation activities were provided with General Credit Card (GCC) facility with a flexibility of rollover.



- Technological initiatives

- In order to provide banking services to the rural mass and providing on line banking facilities, the Bank has established 50 BSCs across the country
- Mobile Vans are functioning in various zones, accompanied by an officer and one clerical staff operated in the villages on fixed days

*Case Study on financial inclusion as a business opportunity by:*

*Dr.Bala Krishnamoorthy,  
Gopakumaran Nair,*

*Badarinarayana& Uma MaheswaraRao*

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## Article Writing Competition

Team iCon conducted an article writing competition across all B-schools on the theme “Is the consulting field getting murkier?”. Competitors were given the brief description of the theme as follows:

The theme is based on the understanding that nowadays no company is limiting itself to only one field of consultancy like Operations, Strategy, HR, IT consulting, etc. but is spreading its wings to all possible fields of consultancy to remain profitable and competitive and to offer one stop solution to its clientele.

Taking this discussion forward, we invited articles on the following sub-themes:

1. Is Consulting a domain specific concept/ one size fits all?
2. Consultants are Jack of all trades
3. Curriculum issues for Management Consulting, Can B-schools prepare Consultants?
4. New name for "Business Analytics" is consulting
5. TATA (TSMG) or Deloitte. Who will grab the next pie?

So let's see what our award winning entries have to say on the sub-themes given.





*Parth Khanna & Nandini Bhalla*  
MHRM ,XIMB

### ***Consultants are Jack of all trades***

The 'slot zero' placement day of IIM A, IIM C and various B schools of India, are driven primarily by the consulting sector then followed by various other sectors. This has been the trend for over six to eight years now. Why this sector is so highly rated among B-schools? Employees with Designations like "Business analyst", "Decision scientist" etc. are considered as all-rounder. Most of the engineers or a management student aim to become a consultant. Why so? The Department of Labor estimates a staggering 82% growth in consulting services across a variety of career fields by 2018. What is the reason behind this exponential growth? According to Wikipedia, A consultant is a professional who provides professional or expert advice not only in a particular area such as security management accountancy, law but also in various cross functions like human resources, marketing, finance, engineering, science or any of many other specialized fields. So here is the big question, are consultant's jack-of-all-

trades or master of one? The answer is that world has changed. In today's world especially in the field of consulting, people work not only with a number of world-class experts but these people specialize in being generalists.

One of the key sources of value, consultants are able to provide their clients, is the ability to connect the right dots at the right time and think beyond organizational boundaries. And these consultants go on to become CEO's of transnational companies. To name a few; John Donahoe of eBay started as an associate consultant at Bain & Co. and rose to become the firm's Worldwide Managing Director, DirectTV's CEO Michael White, after graduating from Johns Hopkins' School of Advanced International Studies, worked at Andersen Consulting and then spent five years at Bain. Both Jerry Storch, CEO of Toys 'R' Us, and Russ Fradin, CEO of SunGard, worked at McKinsey, and Indra Nooyi spent six years at The Boston Consulting Group in the beginning of her career and she was eventually appointed CEO from the CFO position for Pepsi co. To say the least, consulting is the path to becoming a Fortune 500 CEO.

### **What consultants really do?**

From the rate of onions and potatoes and following theoretical steps to measuring the impact of politics, economics, social, technological to cyclones, earthquakes, floods and other forces of nature on the business of an organization, a consultant analysis diverse data and makes sense of them. The field requires an employee to use both left and right-brained thinking. Consulting is about not just about looking at

the numbers, but it's about how numbers and decisions play an important role and how human beings make decisions. And this is what consulting is all about. The role of a consultant varies from sector to sector and business to business. The various consulting fields are:

#### •Computer and Information Systems

Everyone believes that there is going to be stagnation in the IT industry. But the industry is expected to grow at a rate of 32% by 2018, especially in the field of consulting in the IT industry. Anyone who has an experience in this sector and want to pursue a career in this consulting can work towards specializing in fields like banking, networking, cyber security and troubleshooting. For a new graduate this might be a good place to start. All you require is certification and skill to do the job.

#### •Human Resources

The perception regarding HR sector is that it is soft sector but the industry is expected to increase 22% by 2018, according to the BLS. As a consultant you can advise on ways to improve anything from recruitment to Compensation Planning. With a more fluid job market, you can find great opportunities in Head hunting firms all over the world. As an HR consultant a UG degree combined with an MBA or a specialized program can make you a master in this field.

#### •Management

Can you run a MNC or a Conglomerate? This is why jobs in management will see a growth rate of about 24% according to BLC.

This is one of the most competitive sectors to be in and to be successful as a management consultant you need to have a good grip of the market.

#### •Environmental and Conservation

Energy consulting is one field, which is going, is expected to grow at 28% by 2018. Environment conservation practices are expected to play a major part while taking decisions for developing new industries especially in the private sector. Consulting make up of 21% of environmental engineering sector and anyone who has a niche in this sector can make up a mark in future for themselves.

#### •Accounting

If you know how to convert business decisions into financial statements then consulting is a great career move. With increased regulation, financial consultants will be in great demand and the industry is expected to grow at a rate of 28% by 2018. In order to succeed in this field you can do a specialization in fields like financial forensics, fraud investigation and auditing. However a degree in CA is essential now a day in order to succeed further.

#### •Sales, Marketing and Public Relations

Do you think you can be a good sales manager or personal relations manager? Consulting is one field where you can make a mark for yourself. You can expect this industry to grow at a rate of 12%. And specialization in the field of International Business or trade relations can help you make a mark.

### What skills does a consultant possess?

For business of an organization to succeed, an employee must be able to understand, combine, integrate, lead and manage different activities from the people to the numbers to the technical to the intangibles. This is exactly what a consultant does. Be it in the organization or with the clients or customers.

Every business in today's world is not only multidimensional but also a multifunctional entity; they know how to deal with a client and that's how a business grows. Business specialists can work in multiple areas and in order for them to succeed you have to ensure that all of them have work in multiple areas. No business can focus solely on "fixing" on a single unit or component of its business, because any action impacts every other aspect of the organization. Suppose you bring a person who has a good marketing exposure and is a consultant in that field. However in order for him to succeed and the overall project to succeed you need to ensure that all of them are working in sync with other areas like HR and sales. What if you do not ha

ve a consultant who does not have an experience in those fields? Thus, it's very important for a consultant to have cross-functional exposure

Integrative business consulting looks across the organization, from the individual components to the connections and focuses on the organization as a business towards its objectives. It aligns resources toward those

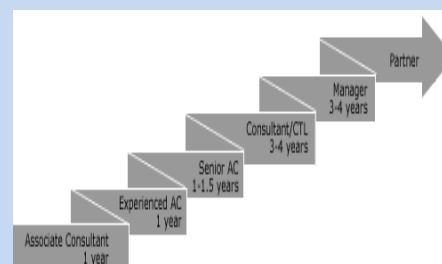
strategic objectives with financial, operational, and strategic components and the functional areas impacting each component to understand what is needed, when it will be needed, and how various activities and relationship will impact other relationships and resources.

The truth is: In order to a business Successful the companies they have to deal in all the cross functional areas like Marketing, Sales, Systems and Management .They deal with it all. They make use of consultants to execute the functional, tactical and transactional processes so that problems in not only various industries but also in the field like taxation, administration and auditing.

For a business to succeed we have to ensure that we are not concentrating in one area but in multiple field because in order to succeed you have to become the master of all the sectors.

### How consultants are jack-of-all-trades?

Anyone who faces a career path like this is bound to become a jack-of-all-trades. The cross-functional exposure combined with working with the best in business helps you to garner that knowledge and eventually a mark for yourself. Bain India career path shows how tough it is for a consultant to move forward.





**Figure – Bain India**



•**Associate Consultant (AC):** They work basically on the ground level and generate critical data essential for a good progress

•**Senior Associate Consultant (SAC):** They are responsible for working on complex problems and developing good client relationship

•**Consultant:** As a consultant you are responsible for translating the analysis into meaningful recommendations

•**Case Team Leader (CTL):** CTLs are managers in waiting. They are mainly responsible for converting recommendations into actions

•**Manager:** They are responsible for delivering the final results to the client. They are also responsible for driving their teams in order to succeed and gain the desired results

•**Partner:** They are responsible for developing new client relations and also for making inroads into new markets

Thus this overall experience helps a consultant in developing a great cross-functional expertise. He knows an industry inside out and knows how to respond to difficult situations. Hence, a consultant is the jack-of-all-trades.

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### **Consultancy – Where is the opportunity?**

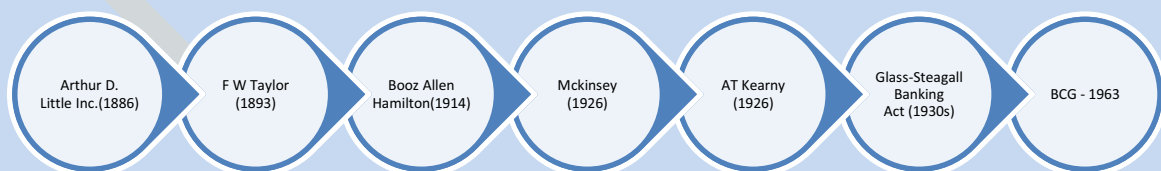
Our understating of consultation has delved deeply into the roots of Elixir – meaning a cure all. The deluge of information has called upon the need of professionals who can simplify this burgeoning information – The Consultants. Consultancy dated its origin to the later stages of industrial revolution when the need to improve the productivity, output, efficiency of labour,

etc. was increasing. The crude form of consultancy can hence be attributed towards the Industrial Engineering. Frederick W. Taylor and Frank Bunker Gilbreth, Sr. were the early heroes of the growing industrial sector of the 20th century. The first management consultancy firm established was Arthur D. Little Inc. in 1886. Along the same lines, Edwin G. Booz, graduated from Kellogg School of Management and founded Booz Allen Hamilton. Similarly, in 1926 McKinsey was founded by a professor of Managerial accounting at the University Of Chicago Booth School Of Business.

The growth of consultancy can be attributed towards the Glass-Steagall Legislation which is a subset of the US banking act of 1933. The act demanded the consultants in the field of finance and strategy to tackle the then charted nooks of the banking and finance act.

The 1980s saw the emergence of Information Technology consulting as the development by IBM, Microsoft, Apple, etc. was on a full swing.

According to the Plunkett Research, on a global level, the consultancy industry revenues (including IT, HR, Strategy, management, business advisory services and



## Exhibit 1

### IT SECTOR – Opportunities Awaiting

1. Big Data, predictive analysis and data mining
2. Data Services
3. Mobile Application development
4. Cloud Based Infrastructure

### Pharmaceuticals Industry – lurking opportunities

India is emerging as a hub for:

1. Bio-technology
2. Contract research
3. Clinical data
4. Clinical trials

### Oil and Gas Sector – windows ahead

1. Downstream marketing of petroleum products
2. City Gas distribution
3. Gas trading

### Renewable Energy Sector – success sectors

1. Solar Energy
2. Wind Energy
3. Biogas

operations) will be around \$431 billion in 2014. US alone had established around a 44% share of pie out of the total global revenues. India which has been seen as a

hub for Information and Business consulting saw a decline in 2009 owing to the global recession.

However in the previous one and two years, India saw a growth in the number of employees in the consultancy services as was seen in US and Europe.

Service industry growth of 6.78% (as on 2 August, 2014) is lower than the growth of the recession period (9.98% in 2008 – 2009). Notwithstanding, the share of services sector of the total Indian GDP is 53.7%. This clearly implies that consultancy as a part of the services industry will grow tremendously.

### IT Sector

It is challenging to right in terms of dollar spent. The right kind of infrastructure bundled with the right people can foster growth. In simple words, consultants are a need of the hour. The IT sector constitutes 8.1% of India's GDP and had a share of 7% in the global market. The IT services in India have been expected to reach USD 118 billion in 2014. This sector accounts for more than 15000 firms out of which nearly 1000 are large firms delivering 3.1 million jobs. It will be a folly to underestimate the power of IT infrastructure and the consultancy services thus are of supreme importance.

### Pharmaceuticals and Health Care Industry

India boasts of the sixth largest pharmaceuticals market by size and envisages USD 45 billion revenue by 2020. By value the industry accounts for the 2.4% of the global and pharmaceutical industry and 10% by volume. The health care sector in India is at USD 65 billion at present and is anticipated to grow to USD 250 billion by 2020. The emergence of Health insurance has also increased the level of market a lot. This means the opportunities underlying can't be ignored and thus the consultancy in this industry is going to have opportunities manifolds.

## Oil and Gas Sector

Since the deregulation of petrol in 2010 and the latest deregulation of diesel in the third week of October 2014, it can be well envisaged that the opportunities that were once lurking behind the corner will manifest and hence there will going to be a demand in both consultancy as well as non – consultancy positions. The preceding statement can be championed by the recent recruitment by Essar Oil for its downstream operations.

## Renewable Energy Sector

What can you miss on renewable front when the very Prime Minister is an avid supporter of the Solar Energy? The success story of Gujarat can well be documented for the rest of the nation. India is the 5th largest wind energy producer which gives us ample reasons to put our feet forward in the wind energy sector. Although biogas has not acquired as much success and fame as compared to other renewables owing to the policy implementation at the grass root level, the Sirsi block in Karnataka revealed that out of 65% of the people owning cow dung resources has bio gas plants and are using it solely to complete their daily food cooking requirements and thus improving the quality of the life of women. With these burgeoning developments in the field of renewables, the demand for the expert consultants is inevitable.

## Conclusion

It is impossible to compare, which area out of the above four is most profitable, as each sector is growing rapidly and that too with a

large quantum of power to influence the economy as a whole. Now this leads to the need of the financial consultants who can foresee and prophesize about the upcoming macroscopic factors which can lead to the changes in the economy. So, one need not be a technical expert in the respective fields to consult. With a mélange of entrepreneurs entering into various sectors, what an MBA graduate can take from all this is sit back and relax and take a sigh of relief because there are ample jobs that are dormant in India and the need to go and search jobs outside will not be required. With that said: “Happy Consulting”.

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**Hydrocarbon Vision 2030, Ministry of Petroleum and Natural Gas**





*Anant Katyayni*  
*MBA*  
*NMIMS, Mumbai*

Hear the word consulting and there flashes a picture in mind: of well-groomed professionals suited up from Jackets to ties to shoes. Always available with their impeccable presentation skills, mesmerizing communication and best minds to identify and solve a problem.

### **Consulting: Significance & the Players today**

But why do the companies need Consultants in the first place? The answer is ever increasing size and complexities of organizations. Companies big enough will prefer to outsource this quite a bit of surgical work to investigate, earmark, identify and solve operational problems, to a smaller but rather specialized organization or an individual. The three big firms in Consulting today: two of them Boston based- BCG and Bain, and the third from NY McKinsey, have been built on this basic premise. Along the way came the Next Gen Consulting firms: PWC, E&Y, Deloitte, Accenture, Cap Gemini, KPMG and a few more. Consulting firms have also been blessed with the advent of Information Technology. The rise in the need for focused specialization due to various technologies & platforms, the

multitude of rivals leading to a cut throat competition and growing concern to outsource the dirty work of analytics- have been the driving engines behind the rise of these bigwigs.

### **Relationship of Consulting & Traditional Firms**

Let's first have a glance on the relation between the traditional big industries and consulting industries. Traditional industries follow the first principle of business i.e. to produce goods to satisfy the needs of the society. Be it Manufacturing, Automobiles, Weapon systems, Electrical Instruments, FMCG or Telecom (and a plethora of many such), they generate products which are produced keeping in mind the existing demand for them. Now these industries have increasing competition and productivity levels which mean a competitive edge to the best performers and nightmares to the laggards. Here arises the need to reshape the strategy of an organization.

Consulting firms grew because of this need of laggards to alter their strategies with a target to topple the industry leader; and the need of Leaders, with intent to maintain their edge. This is safe to say that consulting is one of the few industries, along with Pharmaceuticals and Religion, which fares better when industry is on a decline.

### **IT Consulting: the Turning Point**

As mentioned earlier, the IT industry which came into existence quite recently has played a big part in reshaping the future of this domain. Today **Cloud, Mobility, Big Data Analytics** and **Social** Networking has become the rage and driving engine of tomorrow's growth strategies. With growing complexities in maintaining data and accessing useful information, many firms have or are moving to ERP systems.

Naturally, to decrease the costs, and to resolve these newfound complexities because of the introduction of ERPs, companies turn to Consultants. People who have vast knowledge in the domain and who along the way develop the competency, among the in house resources. This breed of IT Consultants possesses a lot of required skills namely technical, interpersonal, behavioral, project management, negotiation and critical thinking. Those who wish to pursue a career in this domain must focus on developing an inquisitive attitude with a penchant to always better the work one is doing.

### **Disruptive Development:**

This is the mantra progressive organizations are adopting today. Be it domestic diverse conglomerates such as Mahindra or Tata, or global innovation houses such as Microsoft or Yahoo, organizations are looking at ways to improve their organizational structure better, to leverage their capabilities in ways never used before. To quote an example, in today's business environment, organizations are not restricted to just a bunch of functional departments with sole intentions to improve their own margins. Today firms devise Strategy at corporate levels, pass it down to Division and then Strategic Business Unit Levels. This helps optimizing the total performance and output of entire firm, not just one or two departments.

Tata Ace or a Mahindra Tractor is launched today with consumer friendly easy loan schemes from Tata Financial Services or Kotak Mahindra respectively. This is called true synergy and a truly collaborative organization structure. And hence this disruptive development is the call of the day.

This is where Consulting firms play a big role. The help organizations devise a central strategy and suggest ways in which

components of this strategy can be flown down to the functions below on a need to know basis. Consulting executives also perform a necessary role in bridging the gap between the functional knowledge and technical competencies of a firm's multiple functions, not just between a customer and the firm.

### **Modern Life Problems:**

In today's world, the work life balance has gone for a toss though. People no longer are able to keep personal and professional lives separate. Because of this demanding work culture, pressure to perform and the cut throat race to earn more- spend more, people have lost the sense of reality. They have forgotten that to perform better at work place, a balanced personal space, a healthy family life is of utmost importance.

Consulting is one of the most affected domains of this issue. As is understandable, Consultants are always on the hook for anything going wrong, as they are the people supposed to know all and possessing knowledge on how to fix things. Not unreasonably, they are always under constant pressure on keeping abreast with the latest technology, and learning more about aspects of behavioral efficiency.

But having said that, it is also true that Consulting is and as long as there are Organizations growing in size and complexities, it will always be- a booming field. The rewards will always be up for grabs and the unique opportunity to work for all the domains will be pretty much assured. Fortune will always favor the brave!

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### **The Consulting Industry: Jack of all Trades!**

The concept of management consultancy is not new for the world. Even though modern day, pure consulting firms came into being very late, starting with McKinsey & Company in 1926, the model of consulting dates back to ancient times when kingdoms existed instead of democratic countries or competing economies. In those days, kings deliberated with and relied upon their own dedicated panel of ministers or advisors. The matters being considered were and still are management related – it was management of the kingdom earlier and now, it is effective and competitive management of businesses or even specific domains. The earliest known management consulting firm is dated as early as 1890. The industry has been growing at its own pace internationally with competent firms like Boston Consulting Group (BCG) joining it around the 1960s. Twenty years later, 1980s and 1990s witnessed almost a 20% increase in the industry with firms like KPMG and PWC coming in. The industry did see a slow down during the recession period of 2008-09, which was also true for all other industries at that time.

During times when these consulting firms are working to help and provide viable solutions to clients for their businesses, they are also working to survive within an industry, with stiff competition. Hence, it has been witnessed that all organizations in the consulting space have eventually grown from one specialization to the other over the period of their existence. It could be to obtain a competitive edge in the industry over the others or to be able to provide a one-stop solution for all that the client's needs for any and every concern they might have – be it strategy, operations, marketing or human resources. It is also logical to be able to do that since the consultant requires studying the organization thoroughly and clearly identifying the problem to be able to suggest viable solutions for the client's concern in consideration. For an organization to function or a business to work, all its departments and processes need to work in harmony. A business strategy suggested by the consultant, to a client, could require additional human resources or even streamlining of processes for the organization. It could possibly be out of scope of the original problem in question. To be able to do justice to the work assigned and deliver value for the client, nowadays, consulting teams comprise of members having varied skills and expertise. The team composition thus depends on the expertise required by the client.

At the end of the day consulting is also a service offered like healthcare or beauty services. For instance, in the healthcare industry, though there are specialized areas, most of the setups provide a one-stop solution to the customer. With changing

trends in the market and requirements of the businesses, the areas of consulting have also grown to include non-management areas like accounting or scientific areas etc. Domain consulting has also emerged in this industry in its own way. Thus, the expertise of the members of the team are not limited only to management subjects like strategy, operations, human resources or marketing, it also lies in the member's experience or knowledge about a particular sector. The prime reason could be that the management involved in the business requires an expert's opinion on matters that are not entirely known to them or they are not well versed about. For example, consider a non-medical person who wants to build and operate a hospital for social cause. He / She is well versed with the nitty-gritties of finance and accounts, raising capital and managing supply chain for a business but might not know of the dynamics of the healthcare industry like the details and number of legislations and rules governing hospital construction and functioning. He / She might want an expert opinion about the kind of marketing that can be done even in a sensitive field like healthcare or even about the number of human resources that might be required for a smooth functioning of the organization – nurse to patient or doctor to patient ratio. All these things and details lie with people who either have enough experience in the domain themselves or have previously been involved in such activity with another business / organization. Similar case is with the technology industry. It changes and evolves at a very rapid pace and not everybody can keep a tab at it considering the lives we live and with the

work we have. All of us have learnt how to use it but little do we know when it comes to actually designing software or knowing what sort of a model would best suit the business we are running for years together. These are the areas where the management sometimes doesn't know what to do. The same situation is true even in cases where the management lacks enough knowledge of the finances and how to raise sufficient capital for the business. With a plethora of options available for them, the business needs to choose what would suit its requirements in the best possible way. This is where they need to have a clear understanding from a third party perspective as well as an industry analysis for best practices and thus, the consultants play an important role. It could be because of the same reason that the big IT firms such as Infosys, HCL, and Accenture etc. have started providing consultancy services in the technology space.

The global consulting industry market size has been reported as \$415 billion in 2013 and is forecasted to increase in the coming years. According to *Kennedy Consulting & Research Advisory*, as reported in *Business Wire*, the global consulting industry did experience a small dip in 2013 as compared to 2012, but is set to witness increasing growth rates till 2016.

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### Consultants are Jack of all trades

Consulting as a profession has been widely popular since 80's when they had a considerable growth. As now a days companies are not looking for specialists, consultants who can contribute into diverse areas such as Operations, HR, Strategy or IT Consulting have become handy. A Consultant necessarily wouldn't be an expert of a field but can offer professional knowledge into varied fields.

It has become a win-win situation for both the entities i.e. a Company as well as the consultant himself. Consulting firms wishes to be a one-stop shop where expert advice in all the fields could be provided whereas a Consultant exercises his competencies in more than one field and making himself a Jack of all trades. A Consultant undertakes a task that involves core consulting and activities such as client relationship management, selling, synthesis and creation. They will work across a range of projects,

involving different industries and functions. They lead projects and sell new work. There are some other reasons too for a Generalist Consultant to be popular as compared to a Specialist. But first we should look into the basic differences between a Generalist and a Specialist.

**Figure 1**



**Table 1**

Specialists	Generalists
"In Here" approach	"Out There" Approach
Focus on Tasks	Focus on Context
Manages work through expertise in Science and Technology.	Manages the conditions through expertise in People and Politics.
Execution is important	Negotiations is important
Focus on doing is the strategy	Focus on Dealing is the strategy
He is focused on employment of resources	He is focused on deployment of resources

Some of the advantages of being a specialist are:-

- They know the work inside out
- They charge more
- Their work is streamlined

Some of the advantages of being a generalist are:-

- They have more services to offer to both past and current clients in order to generate more work
- They have broad peripheral knowledge, which may be enough for some clients

Consulting has become a norm of the day. The reasons for these are again the multiple roles which are taken by them:-

- **They generally feel the pulse at the very first meeting with the client and give a honest feedback**
- **Need assessment:** - they study the organizational structure, human resources, performance record, staffing and employee turnover etc.
- **The Consultant as Problem-Solver, Coach, Guide, Mentor:-** A consultant knows the world around him, analyze the changes, synthesize, comes up with new ideas, test them, refine them and offer to the market
- **Best practices across industries and functions:-** They have the ability to serve multiple clients in the same sector

But along with all these features there have been some gloomy aspects too been associated with consulting:-

#### **Individual:-**

- Once that task is completed they seem to have an uncertain future
- Long work hours can be the norm, especially if you are trying to impress a new client
- Any staff forced to work with a consultant will resent him/her

- Travelling is a routine. As most of the weekends has to be away from home
- Always have to pitch in and fight for the new job

But more importantly how consulting field is becoming murkier for organizations has to be seen.

**Cost:** - Consultants can be expensive, but usually this is only a problem when you are hiring a consultant to be doing something that an employee should be doing.

**Quality Control:** - Consultants generally adheres to their own style of working. Sometimes too much dependency on them along with their lack of visibility can lead to shoddy work as they don't have any knowledge of in-house procedures.

**Outsourcing:** - Consulting is getting dense in developing economies due to cheap labour. But these outsourcing often don't work out. Time, language difficulties, and cultural differences often kill what should be a mutually profitable relationship. So we can conclude that although Consulting has more than one dimension and it is widely popular due to these abilities, there are some grey areas into this which shouldn't be overlooked as then it could have a undesirable effect over business.

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### **TATA (TSMG) or Deloitte, who will grab the next pie?**

“Conquer if there is no compliance” has been the motto of the human race. Alexander’s invasion of the Asian subcontinent was a manifestation of the same. Building relationships and gaining access to resource in order to conquer territories is how he functioned. These were achieved by invasions, diplomacy, alliances or even marriages! History has it that for growth and robust economies, kings travelled around the world in order to acquire territories in order to expand their scope. Thus the concept of “mergers” or for that matter “acquisitions” is an age old phenomenon. The acquiring of kingdoms to gain power has been prevalent from historical times.

The ‘Big Four’ in the consulting world apply the similar principle of acquiring small companies with some ‘competitive advantages’ in order to expand and delve deeper in the industry. The acquisition of Michael Porter led Monitor Group by Deloitte is a clear manifestation of firms trying to foray into greener pastures of

consulting while also continuing to harvest their own territories. The sole reason being lucrative margins and exponential growth opportunities.

The Enron and the WorldCom scandals rocked the corporate world and thus led to a need for consulting in areas like ethical issues, etc. Events like these have only broadened the scope of Consulting and the future looks like a funnel expanding to the broader side. The scope thus paved ways to growth and extended success in the areas of advisory and analytics.

The recent success story of Deloitte is a great example of benefits of the right strategy formulations. Replacing PricewaterhouseCoopers to becoming the biggest Global firm is a milestones that can be achieved only by doing the right things at the right times. However, with increased advisory scrutiny making life difficult, the future is still unpredictable. A recent survey shows that 51% of the income of the “Big Four” comes from the mid-tier firms.

Recession has caused many businesses to look for consulting firms that can provide an end to end solution to their problems. However, disclosure of information and business secrecy has always been an issue. Moreover, the crunch has made the businesses to become reluctant in shelling too much “out of the pocket cost” for Advisory services. The big four, with their competitive advantage can address and provide instantaneous solutions to these problems. The Brand Equity of these companies easily eliminates the trust issue factor of trade secrecy. Long term relationship with clients also provides bundled utilities.

Peeking into TSMG, the future looks bright. Having an ‘Umbrella Brand’ like TATA over its name gives it a clear edge into the industry. TSMG is seeking a strategic

positioning for the Tata Group. A little over a decade past its conception, the company has quietly but systematically built a formidable reputation in strategy formulation and deployment, performance improvement and business analytics. Starting work with mostly Tata Group Companies, TSMG has expanded its horizons and clientele to all around the world. TSMG has definitely created a niche for itself and enjoys a unique positioning. The goodwill of the Tata Group gave it the right credentials, but the company has risen over its own stride from there on.



This journey too has not been a flowery one. With competitors of the Tata Group unwilling to collaborate with the company, TSMG had an uphill task to perform.

TSMG put in enormous efforts to carve out a foothold and prove its mettle. Being associated with Tata and a strong 'Tata Value System' in place, TSMG came out of the handicap by turning its disadvantages into a blessing in disguise.

As against companies like McKinsey or Deloitte, many clients saw business sense in working with TSMG, for it delivered quality work at affordable prices. Truly the need of the hour!

The question still remains unanswered. Deloitte or TSMG? Given the changing business trends, and the rising domain of consulting, companies like these are sure to co-exist, with each having its own niche. Who will take the next pie is for the future to tell, but what is certain is that they will possibly initiate healthy competition and help in rationalizing prices charged by consultants!

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### **Can B-schools prepare market-ready Consultants?**

Can they? Are B-schools equipped enough to give consultants to the market of business?

To answer this question, let us first look at what goes into making a good consultant and then let us analyse if b-schools can really provide the requisites of making a consultant.

A consultant consults. What makes a good consultant good is the extent of knowledge that he or she has in the field they are consulting in together with the ability to transform that knowledge into meaningful results for the client's business. But what separates a good consultant from a bad consultant is a passion and drive for excellence. In today's globalised world and in the changing work cultures, a person is required to have cross functionality. Gone are the times when consulting firms used to be domain specific, these are the days of

consulting firms giving 360 degree consulting. Even having excellent knowledge in one domain may lead a consultant to obsolesce if he cannot make profits in the others.

Talking about b-schools being equipped to prepare market-ready consultants, a b-school may give restricted knowledge about the field of consulting as to what goes into the success of a consultant but can a b-school give a candidate the passion and the drive for excellence? The answer is a resounding no. Maybe, the changing scenario with respect to the consulting field as to a more generalist role of a consultant than specific, may yield better chances to the effectively of b-schools in preparing consultants. But the real problem that is faced is, what exactly are b-schools supposed to teach in the consulting curriculum?

The domains of consulting are numerous and still consultants are expected to be excellent in their profession or else it will lead to huge losses for the companies employing them, a shutdown in the worst case. The dilemma is, a b-school can't give domain specific knowledge as it will not meet the industry requirements of the modern times and the domains are so numerous that they can't even give basic knowledge of all possible domains.



So again the question arises, what really makes a good consultant? Let's try to look at it from the point of view of someone who has just entered the consulting field and is most capable of answering the question whether a b-school is capable of producing market-ready consultants or not. An employee of a top consulting firm, an



alumni of one of the top b-schools of India, in industry interaction with b-school students told that working as a consultant is something that no one can really prepare you for, there are no specific office timings, in the start you will have to go through the whole unlearning process which then enables you to learn the dynamics of consulting from the experts. The new employees are assigned mentors for the initial period of time to help them through the transition. The real learning happens on the job. The only thing the b-school prepares you for is the ability to handle the pressure and continue the job but it is your passion that takes you forward.

Yet, there are b-schools across the world which gives consulting management as a

separate course or as a part of the curriculum. Also, the fact that despite not having consulting as a separate course in the curriculum, consulting firms do recruit fresh MBA graduates from a majority of top-tier b-schools.

So, there might be ambiguity regarding the issue of the curriculum that a b-school must follow for consulting as a subject but nevertheless market-ready consultants are produced by the b-schools. It is an entirely different issue that the success of the consultant is subject to their endurance and their passion for the field.



## Upcoming Events....

### Workshops & Projects

A lot of workshops are there in store of iCON to give you an insight into the life and skills of a consultant and to train you on “How to become a successful Consultant”.

Also stay tuned to the IIPC mails for interesting corporate projects in consulting domain to develop competencies required for consulting field.

### Management Consulting Conclave

After the grand success of the First management Consulting Conclave, iCON is all set to organize the Second Management Consulting Conclave in the month of January/February.

### Mantrana

iCON will soon be back with its second issue of MANTRANA in the month of January/February.

We would love to have your suggestions on the theme of Second Management Consulting Conclave and MANTRANA.



Write to us at [iipcell@nmims.org](mailto:iipcell@nmims.org)







**In a world of increasing complexity, there is a way to be certain.**

Mantrana- the consulting magazine by School of Business Management , NMIMS acts as a strategic advisor and knowledge partner to the fresh management graduates who wish to carve a niche for themselves in the challenging and the fast-moving world of consultancy.

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