



ORIGINAL RESEARCH PAPER

Management

THE CREATION OF BLUE OCEAN AT IMERT PUNE

KEY WORDS: Blue Ocean strategy, B- schools.

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ABSTRACT

Graduates from many Business schools, are not finding the going easy, by any means. These B-schools across the country have gone down in their quality standards over past few years and these poor quality standards are reflected into inappropriate teaching pedagogies, sub-standard researches and consulting leading to bad placements of the students who passed out from such institutes.

Marthwada Mitra Mandal's IMERT is a management institute located in Pune city. This case is about how IMERT implemented Blue Ocean strategy to evolve it as a unique growth oriented institution. It also talks about how the reforming measures resulted into attracting students, creating good learning environment, providing ample placement opportunities to the students; appropriate developmental avenues for the staff and diversified sources of revenue generation for the Marathwada Mitra Mandal Trust.

MANAGEMENT EDUCATION SCENARIO

Before discussing Management Education scenario, let us first go through few small cases. They are about experiences of a person who did MBA.

Mr. Riaz Hossain spent Rs 6 lakhs to get an MBA degree, something he thought would grant him automatic entry to the portals of high-flying corporate jobs. He now works as a primary school teacher in Suri. After completing his graduation, Riaz, like many of his classmates, thought an MBA would grant him automatic entry to the portals of high-flying corporate jobs. He pursued — and received — the degree from a much-talked-about institute in Delhi. But he was in for a major disappointment. His first job was with a bank, but it was a damp squib. He quit, and got a position in a financial institution. But the salary offered there was barely sufficient to maintain a decent livelihood. Riaz took a test for a teaching position in a government primary school. He cracked it, and says he is now "much happier" as a teacher, with a "fatter pay packet". "After graduating from the B-school, I found there was a huge gap in the market between supply of and demand for MBAs," Riaz says. "The supply is huge, but the demand not so much. Eventually, most MBAs had to settle for very low salaries at private firms. Many of my batch mates are yet to land jobs." It's a worrying trend: an MBA no longer means better job prospects. (www.timesofindia.com)

Why this happened with Mr. Riaz and others in spite of time, efforts and money invested to get the qualification of MBA. The purpose of management education since the beginning of the 20th century has been to enable organizations to apply knowledge to improve their efficiency and effectiveness. Management Education Worldwide is a 20th century phenomenon, focusing on business administration. At the end of the 20th century, management education also included the management of government, management of public system, management of agriculture, management of education system, etc. (Khurana., 2007)

There are many institutions providing Management education which can be divided into six categories.

1. Indian Institute of Management (IIMs) setup by government of India.
2. University Departments of Management studies, distance, correspondence & part time courses as well.
3. Colleges & institutes affiliated to universities.
4. Private or Govt. Institutes approved by All India Council for Technical Education (AICTE).
5. Private Institutes or colleges not affiliated to any universities and not approved by AICTE.
6. Private colleges or Institutes offering MBA courses in India in collaboration with foreign universities where degree & diploma certificates are awarded by the foreign universities. (Saha G, 2012)

According to figures available with AICTE, the number of management institutes in the country has grown from 2,614 in

2006-'07 to 3,364 in 2013-'14. Student intake in these B-schools has also increased proportionately. There were about 2.4 lakh management students in the country in 2006-'07. The figure stood at 3.54 lakh in 2013-'14. (www.timesofindia.com)

The MBA capacity in the country was built based on the projection of a 9 to 10 percent economic growth rate. ASSOCHAM has advised to improve the infrastructure, train their faculty, work on industry linkages, spend money on research and knowledge creation, as well as pay their faculty well in order to attract good teachers. Jobs and promise of high pay packages became distant dream to these aspiring managers:

Graduates from premier B-schools — notably the IIMs and XLRI — are still much sought after, but those from the second-rung B-schools, considerably more in number, are not finding the going easy, by any means. These second rung B-schools launched by hundreds of Institutes across the country have become as shops for degrees and the quality standards have gone down over the years and poor quality standards are reflected in poor teaching faculty, poor research and consulting leading to poor placement of the students who pass out from such Institutes. The quality of these Institutes depend on critical factors like

- a) Quality of Faculty recruited
- b) Quality of Infrastructure provided
- c) Quality of Library and brainstorming discussion groups and seminars led by top Professional Management Gurus
- d) Last but not the least is the placement provided by the Institutes

As a result of these issues many B schools are shutting down. Latest figures released by the All India Council for Technical Education (AICTE) show that 147 standalone B-schools and MBA programmes offered by engineering institutions across the country closed down in the last academic year. The number of postgraduate diploma programmes in management institutes has also dropped from 606 to 600 in the same period. Maharashtra where 24 MBA colleges shut down and Tamil Nadu with 23 account for the largest number of closures followed by Andhra Pradesh with 19. Among the other states, only Bihar, Jharkhand and Kerala have shown growth by adding new institutions. (www.timesofindia.com) To know further details on number of MBA programs closed as per figures released by AICTE, please refer Exhibit I (Table 1).

In such a scenario in India or Maharashtra or particularly in Pune a management institute named IMERT, Pune has made phenomenal progress.

IMERT, PUNE

Institute of Management Education Research & Training IMERT is an academic institute under Marathwada Mitra Mandal group located in Pune city. It is approved by AICTE, New Delhi which offers two years full time MBA programme affiliated to Savitribai

Phule Pune University SPPU for which the students are admitted through the admission procedure conducted by Directorate of Technical Education (DTE), Maharashtra state. The institute was established in 1994 and has a legacy of 24 years.

Let us analyze its admission scenario. To have an idea about IMERT's admission scenario refer Exhibit I (Table no. 2) and Exhibit II (Fig.no.1).

Admission gradually increased from 73 in year 2014-15 to 175 in 2017-18 and 165 in year 2018-19 out of strength of 180.

Now let us analyze IMERT fees structure. Fees is decided by institute authority and is approved by Fees Regulating Authority (Shikshan Shulk Samiti). Fees levied by IMERT is at par with most of the adjacent MBA colleges affiliated to Pune university or more in certain cases.

Placements are the most crucial to the success of any academic institution. Corporate Relations Division CRD of Marathwada Mitra Mandal group provides placement opportunities to all students pursuing various courses from their institutions including IMERT. Let us go through the placement records provided by them. Kindly refer Exhibit I (Table no. 3) and Exhibit II (Fig. no.2) to know year wise IMERT's Placement scenario.

From the placement data it is clear that placements have increased on annual basis.

In VUCA world of MBA education, we have observed that IMERT is flourishing based on its performance on two majors parameters i.e. admission and placements. This is in spite of relocation of IMERT from centralized location to somewhat interior to the city. Apart from more Fees structure as compared to the competing institutions offering MBA course located in vicinity of IMERT. We need to study the reason behind the success story.

BLUE OCEAN STRATEGY AT IMERT -

Blue ocean strategy creates new demand. Companies develop uncontested market space rather than fight over a shrinking profit pool. Towards the end of year 2014, Dr.Shriram Nerlekar joined IMERT as Director of the institute.

Blue ocean strategy is the simultaneous pursuit of product differentiation and low cost to open up a new market space and create new demand.

Dr.Shriram Nerlekar started analyzing the institute from academics, revenue, organizational structure and behavior view points. He studied nitty-gritty of various records such as muster, placements, academics and expenses. He interacted with employees on one to one basis and collectively.

To develop differentiation in product (MBA course delivery) at lower pricing (affordable Fees), Dr.Nerlekar started contemplating on it. Soon he took a step towards it by setting up of proper systems and processes.

FRAMING OF ORGANIZATIONAL STRUCTURE-

To improve overall processing of an organization, proper structure is the basic necessity. Human resource is important force for the success of any organization. Dr.Nerlekar framed organizational structure and created new roles and assigned accountabilities. It included HOD under his position, followed by DLFs (Departmental Learning Facilitators) for HR, Marketing and Finance verticals. DLFs were positioned to report to HOD in case of any academic concern according to the structure. He created an Office Superintendent position. Junior clerks and system admin needed to report to this position. Kindly go through Exhibit II (Fig.no.3) for details on IMERT's Organizational Chart.

Soon he recruited Mr.Shailesh Mulay as an Office Superintendent, who had huge experience into compliances related to various concerned government departments including SP Pune university. Dr.Nerlekar recruited Mr.Mulay so that he can be relieved from

nitty-gritty of compliance related tasks and could fully concentrate upon Academics.

ACADEMICS REFORMS-

IMERT mainly used to follow teaching pedagogies as prescribed by SP Pune University. Dr.Nerlekar initiated academics reforms which were as follows:-

Introduction of Academic Calendar –

All the faculty members used to sit together to prepare Academic Calendar at the beginning of every semester and the same used to get communicated to all the students so as to give them holistic view of academic inputs planned for them during the semester. These inputs were delivered by in house faculty members as well as visiting experts.

CURRICULUM ENRICHMENT -

The institute has taken various initiatives for effective curriculum delivery. The institute focused on using multiple pedagogies for a holistic and wholesome learning experience. These included teaching through case studies, role plays, Audio Visual's (AV's) and Outdoor Management Training (OMT) sessions. For the use of case studies, IMERT has signed a MOU with Harvard Business Publishing (HBP) for the use of Harvard Business School case studies. Role plays were also used effectively to impart various management lessons. Audiovisuals were another effective teaching aid used for various courses – AV's range from TV commercials to Ted Talks to clippings from movies. Over and above the basic classroom equipments, apart from basic software such as MS Office, IMERT purchased licensed various office software for effective curriculum delivery. To name a few:

Ace Equity – financial database of all companies listed on NSE and BSE
Harvard Business Publishing license - for Harvard case studies
My Examo – for conducting practice online exams and placement grading tests of aptitude, ERP software (Cloud Next Vision) – a learning management system for ICT based teaching, learning and evaluation

Introduction of Teaching Planner –

All the faculty members prepare Teaching Planner for their respective subjects and the same gets approved by Director. These teaching planners are the blue prints of the overall contents of each subject which includes – Total number of sessions, Contents to be covered during each session, Methodology to be followed for teaching for each session, Time duration required to complete each session, Details of Case studies, AVs, concurrent Evaluation criteria. Teaching Planner is communicated to all the students well in advance.

Corporate Advisory Boards -

To bridge gap in between industry and academics, Dr. Nerlekar constituted Corporate Advisory Boards keeping in mind following objectives -

Enhance the brand value of the institute, Engage with the senior professionals from the industry on a regular basis, Develop relations with about 50 odd industries, Identify gaps between SPPU curriculum and industry demands and bridge the same, Initiate variety of industry connect initiatives in partnership with these members organizations, Refine teaching –learning – assessment – research processes, Be abreast about current industry trends ,Indirectly support Summer Placements and Final Placements, Carve out industry facing faculty development initiatives for the up-gradation of the faculty, Help benchmark the institute against best in class institutes by experience sharing by the Advisory Board Members.

Board members would share their expert opinions on the following areas:

1. Current trends & practices in the respective field to be included in the curriculum.
2. Overall feedback on curriculum offered by Savitribai Phule Pune University.
3. Short projects for students & faculty members for better

- exposure to industry practices in the particular field .
- Any other matter relevant to domain.

Placements –

Dr.Nerlekar designed various administrative positions for parent body i.e. Marathwada Mitra Mandal trust, so as to provide more professional approach to overall governing of the group of institutions under its umbrella. One such department which came into existence was Corporate Relations Division CRD. Centralized Corporate Relations Division was formed to take care of placement all the students of all institutes under MM group. The Corporate Relations Division (CRD) also conducts mock job fairs. For these Mock job interviews, certain mock profiles and positions are communicated to the students and they have to apply for these mock profiles. A panel of experts conducts these mock interviews and assesses the students' performance and records their performance. These mock interview sessions also achieve experiential learning. The Corporate Relations Division (CRD), in order to make the students corporate ready undertakes several initiatives. One such initiative is practice GD's. During the process and the ensuing discussions, participative learning takes place on various current and relevant topics.

Relocation from Deccan Gymkhana campus to Karve nagar campus –

In the mid of May 2018, IMERT relocated to Karve nagar campus from Deccan Gymkhana campus due to space constraint at Deccan campus. Deccan Gymkhana is a centralized location in the heart of Pune city. Whereas Karve nagar campus is into somewhat interior parts of Pune city and distantly located from Pune railway station and Shivaji nagar bus stand, as compared to Deccan Gymkhana campus. But Dr.Nerlekar always emphasized upon academics enrichment. But Deccan campus had space constraint to conduct course in an effective manner. Hence for smooth running of MBA course IMERT relocated to Karve nagar campus. Management of Marathwada Mitra Mandal (parent body of IMERT) has created futuristic and state of the art infrastructure for IMERT. It is worth mentioning that this infrastructure exceeds AICTE norms. The infrastructure has all modern facilities and produces the environment conducive to facilitate outcome based and effective teaching-learning.

**BLUE OCEAN STRATEGY PRINCIPLES:-
RECONSTRUCT MARKET BOUNDARIES -**

To reconstruct Market Boundaries, we need to a. Look across Alternative Industries, b. Look across Strategic Groups, c. Look across Chain of Buyers, d. Look across Complementary Product & Services, e. Look across Functional or Emotional Appeal to Buyers and f. Look across Time.

Value Added courses-

To enrich MBA course delivery Dr.Nerlekar commenced partnering with various reputed institutions for value added inputs so as to stand out in the competitive world. He offered specializations-wise inputs such as Technical analysis, Sales & Negotiation Skills, Business Analytics, Digital Marketing, Fundamental Analysis, Financial Modeling, Neuro-Linguistic Programming, Security Market, Quantitative Aptitude, Investment Adviser, Soft Skills, English language, Advanced Excel, SPSS, ERP and Capital Market Professional. For this IMERT formed strategic partnership with world renowned organizations in these fields such as Dale Carnegie, National Stock Exchange NSE, Oracle, NISM, ICICI Direct, National Federation of NLP and NSDM.

FOCUS ON BIG PICTURE NOT NUMBERS -

MM's IMERT successfully organized National Conferences, especially related to Finance & Applied Economics, so as to develop market niche, as most of the competitive management institutions are not much involved into this topic. IMERT succeeded to get the proud association of prestigious 'The Indian Econometric Society, New Delhi' for organizing this conference. The contributors attending the conference were from the top institutions in India & abroad viz., University of Pennsylvania, London School of Economics, Singapore Management University, City University of Hong Kong, IIMA, IIT Bombay, Delhi School of Economics, JNU,

Jadavpur University to name a few. Dr. Tomoki FUJII, Associate Dean, Singapore Management University was conference chair. Springer Nature Singapore Pte Ltd' (one of the top five publishers in the world) entered into a formal MoU to consider the contributions presented into the conference for publishing.

REACH BEYOND EXISTING DEMAND –

Alternative sources of Revenue generation by tapping different target customers (students) across different Strategic groups-MBA course offered by IMERT is operating in Red ocean due to fierce competition imposed by various management colleges affiliated to SP Pune University and private Business schools. Dr.Nerlekar came up with out of the box solution to the concern. To generate alternative sources of revenue generation, Dr.Nerlekar opened many of the specialization wise inputs to the working professionals in the form of courses such as NSE Certified Capital Market Professional, NISM-IMERT Certified Investment Adviser and NISM IMERT Certificate in Security Market.

Further Dr.Nerlekar encouraged IMERT faculty members to enhance knowledge base and develop skill sets required to become Trainers. He had philosophy that a teacher should become a trainer by focusing and developing upon certain stream as super specialty from his or her specialization. His efforts in this direction eventually bore fruits for IMERT in the form of recognition by SEBI and NACIN as training partner institute to impart training in Commodity Derivates and GST respectively.

In this process of becoming effective teachers and trainers, IMERT supported faculty members time to time by organizing FDPs and deputing them to attend FDPs / trainings organized by reputed institutes such as IIMs, MOOCs, SEBI and NACIN.

As an endeavor to create trained faculty members in the field of Indirect taxation, IMERT conducted a One day workshop on GST in association with IQAC, SPPU Pune on 2nd February 2018. There were 62 faculty members who attended the workshop from other colleges. This particular workshop was sponsored by IQAC, SPPU for the amount of Rs. 30,000/-.

GST training programmes for the industries were conducted from Pune for M/s. Lier Corporation and M/s. Trans Engineers India Pvt. Ltd. where the focus was mainly on addressing the industry specific issues. An amount of Rs. 2.5 lacks (exclusive of GST) was generated through these training programmes.

By conducting open for all GST training programmes, the institute has earned revenue of Rs. 45,000/-.

GET STRATEGIC SEQUENCE RIGHT -

Marathwada Mitra Mandal trust had philosophy of showing concern towards society as reflected from their motto – "Welfare of Masses". The group followed this philosophy while admitting students to the institutions under it's umbrella. While contemplating upon concern related to boosting admissions further and add to the revenue, Dr.Nerlekar thought of introducing different versions of MBA to be offered to various categories of students, without compromising upon motto of the parent group. Hence he introduced MBA, MBA+ and MBA++ courses. To get acquainted with exact contents of the three variants of MBA course kindly refer Exhibit II (Fig.no.4).

In this way, Dr.Nerlekar boosted utility to different categories of students who had varied expectations from MBA course. The differentiated Fees structures as per added inputs added to the revenue. To adopt this business idea and actualize it, he started contacting and partnering with reputed universities on global platform.

OVERCOME KEY ORGANIZATIONAL HURDLES-

There are different kinds of organizational hurdles to be dealt by a manager.

COGNITIVE HURDLE –

It's about waking up employees to the need for a Strategic shift.

Dr.Nerlekar implemented different changes as mentioned above. Every time, during these strategic shifts, he needed to convince authorities from governing parent body and employees working under position.

Resource hurdle-

It is assumed that the greater the shift in strategy, the greater the resources it requires for execution. Dr.Nerlekar successfully made various resources (Man – recruitments at various levels on time to time basis, Money – revenue generation from different sources, Machine – Computer labs, Wifi, ERP and advanced software, Material – HBP cases & other online resources, Methods – improved teaching pedagogies) available at the disposal of the staff for improvement of the IMERT system. The relocation from space constrained Deccan campus to spacious Karve nagar campus helped a lot to run the academics in better manner.

Motivational hurdle-

How do you motivate key players to move fast and tenaciously to carry out a break from status quo? Dr.Nerlekar conducted motivating sessions since his inception, at the beginning for teaching and non teaching staff from IMERT and later on for staff members from remaining colleges of Marathwada Mitra Mandal Trust. These sessions were based upon famous book "7 Habits of Highly Effective people" authored by Stephen Covey. These were followed by further motivational sessions by corporate trainers on topics such as "Six Thinking Hats", "Management Lessons in Shrimad Bhagwat Gita" and "Timeless Management Techniques of Chatrapati Shivaji Maharaj".

Political hurdle-

Opposition from powerful vested interests. Dr.Nerlekar implemented performance based appraisal system. The appraisal system was outcome based. The outcome from teaching in the form of result, placements; outcome from research initiatives in terms of papers published in reputed journals, research grants received; MDPs conducted; Consultancy provided; Administrative responsibilities handled. Those who fall short of these expectations from the organization lost their jobs in due course of time and were replaced by competent staff who would add value to the organization in a constructive manner.

CONCLUSION -

IMERT implemented Blue Ocean strategy by framing Organizational Structure and assigning roles & responsibilities to the positions; by adopting Academic reforms such as introduction of Academic calendar, Teaching planner, Curriculum enrichment initiatives & by forming Corporate Advisory Board; by creating Corporate Relations Division at trust level to boost placement opportunities for the students belonging to the institutions operating under the trust; by relocating IMERT to spacious Karve nagar campus from space constrained Deccan gymkhana campus; by introducing Value Added courses and opening these courses for working professionals also as an alternative source of revenue generation; organizing Conferences having high profile resource persons & delegates and publishing the knowledge generated on account of the research papers deliberations through world renowned top notch journal. In this way IMERT got turnaround from a routine Management institute to a progressive Business school.

In this implementation process, IMERT encountered various hurdles. These were overcome through counseling sessions, providing appropriate resources, conducting motivating workshops and recruiting effective workforce.

QUESTIONS-

1. Why management institutions getting closed down?
2. What do you mean by Blue Ocean Strategy? How is it implemented in IMERT?
3. Which are the Blue Ocean Strategy Principles? How are these incorporated at IMERT?
4. Which are the key organizational hurdles? How IMERT overcame the hurdles?

Exhibit I

Table no. 1 Figures released by AICTE for number of MBA program closed during academic year 2013-2014 and 2014-2015

NO. OF MBA INSTITUTES				NO. OF MBA INSTITUTES			
State	2013-2014	2014-2015	Change	State	2013-2014	2014-2015	Change
Maharashtra	406	382	-24	J&K	11	9	-2
Tamil Nadu	395	372	-23	Chattisgarh	20	20	0
Andhra	851	832	-19	Delhi	18	18	0
UP	447	431	-16	Assam	9	9	0
Haryana	150	135	-15	Puducherry	6	6	0
Karnataka	209	198	-11	Meghalaya	1	1	0
Rajasthan	110	99	-11	Nagaland	1	1	0
Gujarat	108	100	-8	Sikkim	1	1	0
Uttarakhand	49	43	-6	D&N Haveli	1	1	0
MP	203	198	-5	Kerala	73	74	1
W Bengal	55	51	-4	Bihar	18	19	1
Punjab	129	127	-2	Jharkhand	6	7	1
Odisha	72	70	-2	Total	3364	3217	-147
Himachal	15	13	-2				

Table no. 2 Year wise Admission scenario

Year	Admission
2017-18	175
2016-17	165
2015-16	117

Table no. 3 Year wise Placement scenario

Year	Placements
2017-18	89
2016-17	51
2015-16	30

Exhibit II

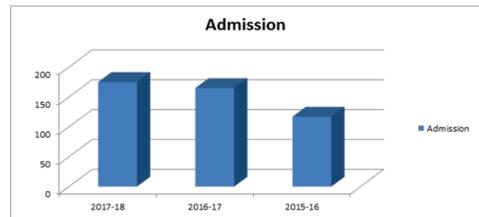


Fig no.1 Year wise Admission scenario

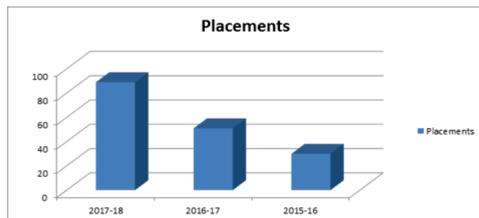


Fig no. 2 Year wise Placement scenario

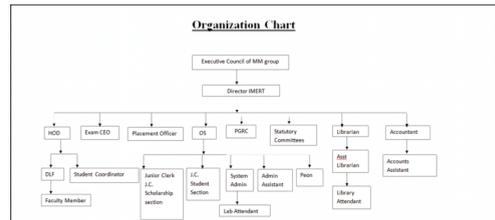


Fig.no. 3 IMERT Organizational chart

MBA	MBA+	MBA++
<ul style="list-style-type: none"> • Introduction • Class room teaching • Local industry visit • Guest sessions • Foundation course • Excel Training • OMT • Basic GD & Pls 	<ul style="list-style-type: none"> • IPDP Basket • Industry Tour • Introduction • Class room teaching • Local industry visit • Guest sessions • Foundation course • Excel Training • OMT • Basic GD & Pls 	<ul style="list-style-type: none"> • GEP Basket • International Study Programme • IPDP Basket • Industry Tour • Introduction • Class room teaching • Local industry visit • Guest sessions • Foundation course • Excel Training • OMT • Basic GD & Pls

Fig. no. 4 MBA, MBA+ and MBA++ courses

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