

Madras Management Association: Managing Diversity, Growth and Excellence

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However beautiful the strategy, you should occasionally look at the results.

- Winston Churchill

Case Summary

Madras Management Association (MMA) is the largest association of its kind in India and has proudly nurtured leaders who have later become Presidents of the All India Management Association (AIMA). MMA is well recognised for its display of extreme professionalism in all its activities.

Starting as a humble Institute of Management (Madras Institute of Management) in 1956, its leaders chose to change its name to Madras Management Association in 1966, reflecting the realignment of its strategy and a wider role they envisaged for it in development of the society. It has since played an important and vibrant role, especially in providing a platform for exchange of ideas and sharing of concerns between the Government, Industry, and the academia, and in bridging the gap of available managerial talent. Society stalwarts, such as Shri Morarji Desai and Dr C.K. Prahalad, have been associated with MMA.

MMA is fond of carefully choosing its leaders, which is reflected in its rules and procedures for electing the members of its Management Committee (MC) and the appointment of the Executive Director, who have invariably been picked from the military since last few years. The MC also includes prominent civil servants and academicians.

Capitalising on its linkages with the Industry and academia, MMA runs professional training and development programs of various durations in nearly all management disciplines, which are also a primary source of its income. MMA also organises other professional development activities, such as, lectures,

book readings, regional conclaves, etc. To strengthen its membership, it has expanded into new industrial towns of South India, namely Salem, Hosur, and Puducherry, with plans to expand further in other prominent South Indian cities - Ambur, Trichy, and Cuddalore.

As further contribution to the society, MMA conducts special events to honour and promote women entrepreneurs, and small and medium scale enterprises. Amongst its seminars and other regular events, themes adopted include sharing of success stories and discussions on new business opportunities and ideas. Events organised or sponsored by MMA, including the series of management student's conventions, receive large numbers of registrations. Its series of awards are highly respected in the country with each awardee required to address the annual convention audience and share their story.

Analysis and Recommendations

MMA has traveled for a long time, but not necessarily a long journey; part of the reason being the "restrictive government policies". Quite recently MMA has been able to build and save a corpus of surplus funds. A diversified investment portfolio for this is suggested instead of it being parked in a fixed deposit.

The profit per programme appears to be dropping in the 'continuing education' and 'management development' series which appears to be due to less numbers of participants per programme. The 'customised / family business development' programme is also making losses even with rising number of

participants per program. Reasons for these need to be investigated and corrective measures taken.

Operating surplus appears to have had a sudden drop in 2005, the same year in which substantial investment in infrastructure development was made. One or more of several reasons may have caused this, such as, but not limited to: (a) a major change in accounting policy adopted in that year; (b) the new capital investments during the year being wrongly booked as revenue expenditure (or in other words amortised in a single year) making the operating surplus fall abysmally. Fixed Assets show a jump in the same year (Exhibit 12). Hence, (b) appears to be the cause which needs to be remedied.

Similarly, Exhibit 13 reveals a large rise in number of participants/registrations in various programmes in Puducherry, but a steep drop in the programme income. Is it due to discounts offered to raise memberships/participation? This needs to be explored. Drop in membership at Salem is a matter of concern which needs to be studied in detail. Lessons learnt may help in ensuring sustainable growth and retention of memberships at other new centres.

There is a scope for collaboration with organisations like Southern India Chamber of Commerce (SICCI), Tamil Chamber of Commerce (TCC), and similar other organisations, to ensure that there is no duplication of efforts and wastage of resources, while their complementary strengths are utilised to address joint concerns and meet common objectives.

The online sales of recorded lectures and talks through streaming video by adopting a cloud based service provides a potential opportunity for growth of revenue at low risk and cost. MMA may consider the use of modern technology to enhance its portfolio of offerings, for example, using online tutorials and webinars. With rise in online courses (for example, as by Massive Open Online Courses (MOOC) in partnership with several organisations including Harvard Business School), there is a huge opportunity for MMA to increase revenues. Some of the ways which can be explored are developing and offering certificate courses with recorded lectures and study materials accessible online for registered

participants to avail at their own convenience and pace. Especially attractive is the possibility of participants from other countries in online courses.

Growth of revenue is also possible by considering development of regional and/or industry-segment wise conventions and forums, though new challenges will surface in exploring this opportunity.

MMA should consider clearly identifying/defining its beneficiaries (or customers), conducting customer surveys and integrating the knowledge gained from its own past experience to design and offer courses with relevant curriculum. Incorporation of feedback from entrepreneurs, corporate customers and business houses highlighting current needs for managerial knowledge and skills shall help raise popularity and demand of its offered courses.

Adding a portal on its website to match job seekers with the job opportunities available in the Industry, would complete the portfolio of offerings by MMC. This portal, in due course of time, shall provide vital information about specific managerial capabilities being sought by the Industry, and the change in it over a period of time, by using techniques such as data mining.

Exploiting its 'potential to set up international co-operation', MMA's partnership with organisations, such as, Konrad-Adenauer-Stiftung (KAS), Entrepreneurship Development Institute (EDI), and Confederation of Indian Industries (CII), may be used for developing business ideas with export orientation in mind. Starting with a series of seminars to build ideas for new businesses (especially in other countries), these partnerships can be used to provide necessary training and development programs; support in acquiring cross-border Government permits and clearances; developing required entrepreneurial and managerial talent; and establishing the complete value chain. This may also promote business tourism among the involved countries.

MMA has grown rather slowly in its past. Its growth appears to have been driven by a realisation of the gaps it discovered in its journey rather than a strategic analysis and pursuit of well defined objectives. Customers in the 21st century are not satisfied with piece-meal solutions, but instead, with end-to-end solutions. Hence, it should

look at offering a complete basket of products and services from identifying new business opportunities to helping set up businesses as the potential mandate for it to pursue.

The right strategic questions for MMA to ask itself are: (a) What role does MMA propose for itself in building the future of India?; (b) Whether it has a full basket of products and services to offer to its customers?; (c) Is it utilising the potential of its strong partnerships, Government associations and Industry linkages?, and additionally, (d) How does it propose to deploy modern technologies in enabling it to achieve its reframed objectives?

Indeed, MMA has diversified and drifted but in the right direction, however, too little, and perhaps also too slowly! In the words of great management guru, Michael Porter: The essence of strategy is choosing what not to do.

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Our mistakes have places here. Go on! Do not look back if you think you have done something that is not right. Now, do you believe you could be what you are today, had you not made those mistakes before? Bless your mistakes, then. They have been angels unawares. Blessed be torture! Blessed be happiness Do not care what be your lot. Hold on to the ideal. March on! Do not look back upon little mistakes and things. In this battlefield of ours, the dust of mistakes must be raised. Those who are so thin-skinned that they cannot bear the dust, let them get out of the ranks.

- *Swami Vivekananda*