

## Message from the President



Dear Friends and Colleagues,

It is a matter of great pleasure for me to share my thoughts with you through the second issue of "Management Paradigms" and update about the recent activities of NMA. First of all, I would like to extend my sincere thanks to all the Founder Members, Past Presidents and office bearers for the lead they have given to NMA at different points in time.

During the preceding four months, Noida Management Association organized several programs for the benefit of members on topics such as Motivation, Self Awareness & Leadership, Union Budget, GST and Operational Excellence. I would like to specifically mention the Union Budget program jointly organized with ICSI and ICAI at NMA House on 4th Feb 2017 that was a great success. As part of our social commitment, we also organized blanket distribution camp and distributed more than 150 blankets to the needy.

On the membership front, we have started adding new members from the unrepresented areas. The Membership Committee is already in touch with the IT, BPO and educational Institutions operating in Noida & Greater Noida and I am sure we shall be able to cover them as well.

Our endeavor is to take NMA to greater heights by making NMA as a knowledge Hub and provide knowledge & skills in critical areas like social and corporate Management with the help of rich and experienced professionals associated with us.

My best wishes to all of you.

S N Singh  
President

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## From Editor's Desk



I am happy to present the next issue of Management Paradigm. I would like to take this opportunity to thank all of you for the encouraging feedback and valuable suggestions. We have tried to incorporate most of them in the current issue.

I would also like to thank my fellow committee members Mr. Sanjeev Asthana and Mr. A.K. Gupta as well as NMA secretariat for their contribution.

Hope you like the current issue. Please do continue to share your feedback, suggestions and articles.

Thanks a lot,

**Durgesh Garg**  
Chairman - Publication Committee  
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## Best Leadership Awards

Noida Management Association has been honoring senior management professionals from Noida who have made a mark for themselves. This award is given during annual convention of Noida Management Association. Below is a list of awardees so far:

Year	Awardee
1999-2000	Mr. Rajeev Karwal VP – Marketing & Sales LG Electronics
2000-01	Dr. Ashok Chauhan Founder & President Amity Group of Institutions
2002-03	Mr. Deepak Puri CMD Moser Baer
2003-04	Mr. B. P. Agarwal CMD Surya Food & Agro Ltd.
2005-06	Mr. Rohtas Goel CMD Omaxe Ltd.
2006-07	Mr. D. M. Reddy CMD Subros Ltd.
2006-07	Dr. Mahesh Sharma CMD Kailash Hospital & Research Centre Ltd.
2008-09	Mr. Ashok Chaturvedi CMD Uflex Ltd.
2009-10	Dr. Raja Ram Jaipuria Ginni Filaments Ltd.
2010-11	Ms. Shilpi Gupta Director IMS-DIA
2013-14	Mr. A. K. Gupta CMD Holostic India Pvt. Ltd.



## Programs Organized by NMA

As part of our social commitment, Noida Management Association organized a **blanket distribution camp** on **24<sup>th</sup> Dec'16**. More than 150 blankets were distributed to the needy and poor. All EC members generously contributed for this noble and good cause.



Mr. Durgesh Garg distributing blanket.  
Also seen Mr. S. N. Singh and Mr. C. B. Sharma



Mr. S. N. Singh along with NMA members distributing blankets

An Evening Lecture program was organized on **24<sup>th</sup> Dec'16** on **Motivation –The Force of Action** by **Wg. Cdr. (Retd) G.S. Nehra**. He spoke about how managers are continually challenged to motivate the work force in two ways. The first challenge is to motivate employees to work towards helping the organization achieve its goals. The second is to motivate employees to work towards their personal goal.



Brig. (Retd.) Ramesh Chandra presenting a memento  
to Wg. Cdr. (Retd.) Nehra



Wg. Cdr. (Retd) G S Nehra addressing the audience

NMA in association with Institute of Cost Accountants of India (ICAI) Noida Chapter and Institute of Company Secretaries of India (ICSI) Noida Chapter organized an Evening talk on the subject **"Union Budget 2017"**. Eminent speakers including **Mr. Suraj Paul, Director – KPMG** and **Mr. Saurabh Agarwal of E&Y** discussed the Union Budget to a hall full of audience. The program was followed by Dinner.



Mr. Suraj Paul (KPMG) addressing the audience

## लघु व मध्यम वर्ग के उद्योगों को फायदा

जागरण संवाददाता, नोएडा :  
सेक्टर-62 स्थित नोएडा मैनेजमेंट एसोसिएशन (एनएमए) की ओर से बजट 2017 पर चर्चा हुई। इसमें मुख्य रूप से विमल जैन इन डायरेक्ट टैक्स कमेटी, पीएचडी चेम्बर आफ कामर्स और सुजय पॉल निदेशक केपीएमजी उपस्थित रहे। कार्यक्रम की अध्यक्षता एनएमए अध्यक्ष एसएन सिंह ने की। इस मौके पर एसएन सिंह ने कहा कि नए साल के नये बजट में न ही कोई लोकलुभावन सौगातें दी गई और न ही किसी विशेष तबके पर फोकस किया गया। यह बजट पूरी तरह से निम्न और माध्यम वर्ग को समर्पित है। बजट 2017 देश के बड़े अमीरों के लिए नुकसानदायक है। वहीं उद्योगों के लिए बजट संजीवनी लेकर आया है।

Media Coverage Dainik Jagran, Noida



Mr. R. Venkatraman (ICSI – Noida Chapter) presenting a bouquet to Mr. Saurabh Agarwal (E&Y)



A view of the Participants



A view of the participants



NMA in association with **Clairvoyant Advocate and Consultants** organized an evening lecture on **Goods & Service Tax** on **25<sup>th</sup> Feb** by **CA Nagesh Bajaj**.



Sitting from L to R: Mr. C. B. Sharma, Mr. Surinder Mohan and Mr. Nagesh Bajaj



Audience listening to Mr. Bajaj

An evening Talk was organized on **18<sup>th</sup> Mar'17** on the Subject "**Operational Excellence through the Goldmine within**" by **Shri S. Gairola**, a renowned Management Consultant having over 40 years of experience in the field of Management.



Sitting from L to R: Mr. C. B. Sharma, Mr. Surinder Mohan, Mr. S. Gairola and Mr. S. N. Singh



Mr. S. N. Singh presenting a bouquet to Mr. S. Gairola

## How to be in the 20 % of Start-ups which succeed?

**Manoj Tandon**

I am sure you all know that there are various surveys, studies and analysis done globally which conclude that majority of start-ups fail. However, if you do things right and in the right way, there is no reason why you won't be in the 20%.

Since, my company works with start-ups and SME's for a living; we have interacted with lots of eager beavers... (Young ones with dream, gleam and dollars in their eyes) and have, sadly, seen many of them with same eyes with emotions replaced by dejection, a sense of failure and brooding about their future.

**So why this 80% failure rate, here are some of the reasons that I have observed:**

1. Doing a start-up because everyone around me is also doing it.
2. Weak business model. We all know that most of the start-ups today (especially in e-commerce space) are running in losses. We all know that if we buy something at Rs. 100 and sell at Rs. 80 and use the investor funds (which I believe are more easily available than ever before) to bridge the gap, it will eventually fall flat. Loss leading philosophy can work but only if it is well thought out, is reasonable to execute and turns around to profits within a reasonable time frame and at a reasonable scale.
3. Are you really solving a long term problem of your market and customers? Think very deeply, this question has multiple questions and issues hidden. We are seeing start-ups which are solving imaginary, temporary or problems which are not much of a need/pain for the customer. Clearly, a sure shot preparation for failure.

Here is my suggestion, why are you doing a start-up? Would you like to work for 16 hours a day, have no earnings for at least 1 year, get no holidays and no one to recognize you? If the answer is "yes", then is it because you think the eventually you will succeed because Many around you are succeeding, You dream of days when you will be driving a swanky car and living in a palatial home or You are seriously passionate about something and you want to see it coming to fruition?

If your choice is other than the last option, please think again.

History has shown repeatedly that people who chase money do not mostly get it but people who chase excellence in problem solving make it big.

**1. Do you have a good business model? Try and answer the following question:**

- a. Will your business succeed even if there was no funding? If it will, just much more slowly, you are on the right track. On the other hand, if your model will succeed **ONLY** if you got x amount of funding, analyze things again, very carefully, you may or may not be on the right track.
- b. At what scale will your business start making money? Is that scale achievable in reasonable time at reasonable level: A business which takes 5 years and assumes 7 times the growth (numbers indicative to show the point) is not a good idea to pursue. Why, because in that time and at that level of growth even a small slip can derail your plans.

**2. Addressing a REAL problem vis-à-vis a short term problem or a non-issue:**

We are observing that these days' people are thinking that digitizing anything is solving a problem and thus will work as a business. Think like this, IT is only a tool, a tool to enable doing things faster, better, in a more efficient and effective manner. However, by itself it is nothing. Therefore, to be sure, whenever you look at possible business ideas, look at things which have been problematic for people for a long time, things for which people will pay for now and in the future, look at the needs which fill a big gap in people's lives. Once you have done that augment and/or support your solution with technology. Don't think technology before the solution, first think solution then think how you will make the solution stronger by using technology.

Although I have not covered all the possible points that I could have regarding deciding about a start-up but the above discussion would have given you a decent picture of what and how you need to go about deciding if you should do a start-up and if yes then why and how.

*Manoj Tandon is the CEO and Managing Partner of TMTC, a Growth Consulting firm, based out of India. He is also the author of the book "Growing IT business via Better Client Management". He can be reached at [manoj@tmtc.co](mailto:manoj@tmtc.co).*

**New Co-opted Member in Executive Committee**



**Mr. S. S. Yadav**  
Executive Director – HR  
KRIBHCO



**Mr. Shrikant Bhande**  
General Manager-HR  
Indian Oil Corporation - Pipelines Division, Noida



## CSR Is No Longer An Option

Suresh Kr Pramar



*Courtesy: Mallen Baker*

Five Indian Corporates have made it to the Asian Correspondent 2017 CSR 50 Index for excellence in Corporate Social Responsibility. The five; Tata Group, Mahindra & Mahindra, Aditya Birla group, Arvind Limited and Dr Reddy's Laboratories, are well known names in India for their responsible social investment programmes.

The areas investigated to decide who qualified for the Top 50 include: **Resource management:** Energy, carbon, water, waste; **Employee management:** Safety, diversity, ethical labour practices, incentives; **Financial management:** Innovation, supply chain, CEO pay, taxation and **Philanthropy:** Volunteering, donations, foundations, community work.

Stressing on the need for CSR the authors of the Index have said "In order to remain current and engage with increasingly varied stakeholders, business must grapple with CSR. Doing nothing is not an option. Indeed, as investors and consumers grow more aware of the need for sustainable development, they are demanding that companies step up to contribute. This is true around the world, and Asia is no exception."

Since 2013, when the Company's Act was passed, there has been a substantial shift in CSR activities from the 'nice to do silo' to become a strategic priority for businesses big and small. There has been an increase in the spread and tempo of CSR spending. Unfortunately a good number of companies, which come within the purview of the CSR legislation, continue to ignore their legal responsibilities. Early this year it was disclosed in Parliament that as many as 4,195 companies, of the 7,334 companies surveyed by the government, had not spent any money on CSR.

According to these reports the Registrar of Companies has sent out show cause notices to 530 firms for their failure to comply with the various provisions of Section 135 of the Act. In an answer in the Rajya Sabha the Minister had said the government was serious regarding implementation of CSR and would ensure that companies seriously comply with their responsibilities. There are provisions in the law for imposing penalties on companies who fail their responsibilities.

**What is Corporate Social Responsibility?** The European Commission defines CSR as "A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis." Yet another definition says "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of

life of the workforce and their families as well as of the local community and society at large”

Mallen Baker, an international CSR Expert based in the UK offers the following diagram as his definition of CSR



According to Baker companies need to answer two aspects of their operations. 1. The quality of their management - both in terms of people and processes (the inner circle). 2. The nature of, and quantity of their impact on society in various areas.

CSR is not and cannot become a solution for all the community's problems. It, however, can do at least two things. One it can help create better understanding between the company and its stakeholders and; Two: make a slight, but significant contribution, for the well being of the society and community. Additionally active CSR will provide the company a social license to operate.

**Each business, small or big, needs to have a CSR programme in place. Companies ignoring CSR practices are likely to lose the trust of the people who are important to your business** There is a very strong case for business to involve itself in Corporate Social Responsibility. The benefits cover the whole gamut of its activities including the sustainability of its business. I list six major reasons as they come to my mind.

1. **Satisfied Employees** are the strength of the company. They are the company's goodwill ambassadors in the community and help to create a positive image of the company and their employers. A satisfied employee will remain loyal to the company and not seek better employment elsewhere. This will reduce attrition and the constant need to advertise for replacements. Additionally a responsible company will attract talent because more job seekers would like to work for the company even at wages lower than those available elsewhere.
2. **Satisfied customers** A strong record of CSR improves customers' attitude towards the company. Customers who believe and like the company will buy more products or services, repeatedly, and will be less willing to change to other brands. Surveys among business executives have revealed that CSR is giving their companies a competitive advantage mainly because of favorable response from their customers. A majority of satisfied customers say that they are likely to buy from companies that support and engage in activities to better their communities. CSR can help you engage with customers in new ways. Since the message is about something "good," it can often be an easier way to talk to customers. This is a very underused tool for business-to-business company communication.
3. **Costs Reduction** A well planned and implemented CSR programme can help to bring about reduction in the cost of production. This is possible through more effective hiring and retention of staff, adopting and implementing innovative energy saving programmes, managing potential risks and liabilities more effectively and investing less on brand and company promotion. Instead the employees and clients would provide free publicity from word of mouth. One of the ways companies can start by engaging in CSR



is to use it to cut costs; whether it is using less electricity or less packaging material these add up to a substantial sum of money saved.

4. **More Business Opportunities** A successful CSR programme opens the doors for increased business opportunities for the company. With satisfied customers and employees acting as brand ambassador the company is likely to be the first to learn about new business opportunities in their areas of operations. To make sure of these opportunities the company needs to inform people at large about their efforts to improve society. Companies strong on the dissemination of information of their CSR activities are able to attract increased attention for business.
5. **Long Term future of the company.** CSR is not something for the short term. It is about long term goals and business continuity which large businesses phrase as "shaping a more sustainable society." CSR or running a business responsibly, is to ensure longevity, or sustainability, of its operations. According to Unilever's Vice President for HR and Sustainability, Geoff McDonald, "the only reason we're doing sustainability is to drive the growth of Unilever. CSR is an effort to look at the company's long term interest and to ensure that the company's future is sustainable."
6. **Legal Provisions:** An important reason for CSR in India are the legal requirement in the Company's Act 2013. Section 134, in the Act, makes it mandatory for companies to spend a small part of their profits on CSR activities. India is the only country in Asia, and possibly the world, which has a law mandating Corporate Social Responsibility for profit making companies. The Companies Act of 2013 mandates that companies with a net worth of Rs 500 crores or more or a net profit of Rs 5 crores or more are required to spend at least 2 percent of their average net profits on corporate social responsibility programmes. The Act also requires companies to disclose their CSR spending. The Act specifies that companies should give preference to local areas and areas surrounding their operations.

Giving back to society is not an alien concept in India. Its earliest form is reflected in approaches similar to corporate philanthropy and the Gandhian Trusteeship model. Business made donations in cash or kind, community investments in trusts, and provision of essential services like schools, infirmaries etc.

In recent years people feel positively that companies should be held responsible for bridging the gap between the rich and the poor, reducing Human Rights violations and solving social problems along with increasing the economic well being of the people they impact. There is a growing realization among the people that companies should be held fully responsible activities over which they have full control. These include providing quality products at reasonable prices, ensuring that their operations are environmentally friendly, their employees are treated fairly without any discrimination based on sex, religion and race and applying global labour standards.

Companies need to realize that greater transparency is essential if they want to retain the trust of the people and the credibility of their business. CSR is no longer charity. It is an important part of management strategy. Corporate Social Responsibility is a concept which benefits the companies as much as it does to the society and community. For Indian companies CSR is no longer an option.

*Suresh Kr. Pramar is Managing Trustee - Global Gandhian Trusteeship & Corporate Responsibility Foundation. He can be reached at [suresh.pramar@gmail.com](mailto:suresh.pramar@gmail.com) or Mob. 9213133042.*



## CROWD FUNDING : Comparatively New Option for Startups Finances in India.

R.K.Chandra

The internet seems to have leveled the playing field for a lot of small businesses. It has created opportunities that never existed in the past.

We have heard stories of people who started a business by borrowing small amounts of money from family, friends and acquaintances.

There have even been tales of a film producer borrowing a very small amount of money from thousands of people from an entire village to finance his movie. These are stories that have been circulating the world even before the internet.

So how has the internet changed things?

In the internet era, the entire crowd funding market has become more organized and anyone without connections can list his project online, and give himself a fair chance of getting funded by the crowd.

### **What is crowd funding?**

As the name suggests, it means funding from the crowd. Whenever we think of raising capital for our business, we think of banks, angel investors, and venture capitalists.

However, with crowd funding, a business or any creative project can get funded by regular people who can all contribute small amounts of money. If 10,000 people invest \$10 each, that's \$ 100,000. Not too bad, right?

In 1997, the British rock group Marillion raised over USD 60,000 in donations from their fans.

Crowd funding is becoming an alternate financing solution for startups and creative projects.

Some experts estimate that crowd funding could overtake funding from venture capital in the year 2016/17.

### **There're essentially four types of Crowd funding**

1. **Donation:** Investment is made by people who believe in a cause and do not expect a return on their investment.
2. **Debt:** Investors receive interest on their money along with the sum invested.
3. **Equity:** People invest in an opportunity in exchange for ownership in the business.
4. **Rewards or other value:** Investors receive something of value in exchange for their investment. It could be merchandise, concert tickets, a role in a movie, membership to an exclusive club or any other form of value in return for their investment.

*Crowd funding has come a long way since its early days. The SEC in the US has also created rules to permit equity crowd funding.*

In India, the laws relating to crowd funding are still a little bit hazy and evolving. If it involves equity, it can come under the SEBI scanner; and debt is governed by RBI rules. So it's important to understand the laws while evaluating the funding options.

### **Crowd funding Platforms**

Numerous crowd funding platforms have come up in the last decade. Many of these platforms charge a fee based on the amount of funds raised.

Kick starter, Indie go go, Rocket Hub are some of the most popular. Many of these platforms are becoming very niche, and are focused on specific industries.

For example, Diversify Fund is an online crowd funding platform for the real estate industry. They focus exclusively on real estate projects.

App Stori is a growing platform that brings together mobile app developers and mobile app consumers to facilitate the creation of apps.

Sport funder connects sports fans to raise funds for sports related projects.

If you see the list of some of the top grossing crowd funding projects, you can imagine its power.

1. Star Citizen: A video game project raised more than 100 Million USD
2. Elio Motors: A low-cost high mileage vehicle project raised more the 25 Million USD
3. Pebble Time: A smart watch project accumulated more than 20 Million USD on crowd funding platform Kick starter

### **Conclusion**

Crowd funding is here to stay. It has caught a lot of momentum in the recent past, and even law makers are beginning to understand its importance to the economy. Smaller projects that may not attract venture capital or institutional funds can now turn to this alternate form of capital.

*R.K.Chandra is an ex-Banker and currently Advisor – Enterprise Mentoring Network, NIESBUD.*

**Disclaimer:** *The views expressed in this blog are not that of NIESBUD and it does not hold any responsibility for its correctness or otherwise.*

**Brig B M Kapoor**

Corporate greening is important in ensuring corporate sustainability, and leadership can facilitate this process. This essay discusses the role of leadership in ensuring good governance for corporate sustainability.

### **Modern Business Environment and Sustainability**

Modern business environment is characterized by rapid technological change, accelerating climate change and economic uncertainty. Managing and leading successful organizations through the turbulence of today's business environment is complex and requires fresh thinking. The traditional structures in organizations are functional, divisional, project-based, and matrix whereas the new forms are networks and cellular. The leaders who can bring about successful change have to be visionaries, value-oriented, with courage and belief in people, and ability to manage uncertainty in the new context.

According to Cadbury (2003, p 4), "Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The framework is to encourage the efficient use of resources and requires accountability for the stewardship of those resources."

Sustainability refers to development that meets the present needs without affecting the future needs of generations. It encompasses social responsibility, responsiveness, and obligation.

Dunphy, Griffiths and Benn (2003) define it as "the capacity of an organization to support the ecological viability of the planet through proactive management practices." Leadership for sustainability requires extraordinary qualities of dealing with complexity.

The need to build a sustainable future is immediate and apparent. Businesses have to provide products and services today to the large mass of humanity in a much-downgraded environment. They have to ensure a good base for a sustainable future. The important balance needed between a profitable business and effective sustainability requires us to rethink our shared values and future through employment of technologies for the challenges faced by the human race (Idaho 2014).

### **Ethical Leadership**

Leadership is the process whereby an individual influences others toward achievement of group or organizational goals. There have been various frameworks in leadership research; trait approach, behavioral approach, and contingency or situational approach. There are also many leadership styles; charismatic or transformational, transactional or empowering, or entrepreneurial.

A business entity has to make its profits and yet be a good citizen. Corporate sustainability therefore becomes an important obligation. There is usually a gap between the intentions of business leaders and their actual behaviour. Leaders have a pivotal role in developing sustainability programs in organizations and this requires them to have particular leadership



skills and competencies; in particular high integrity, a deep sense of purpose and core values.

Business ethics concern values and principles to guide the conduct of business leaders. Ethical leadership requires leaders to have a sense of ethics, be value-driven and have a pursuit of higher purpose. Leaders are required to develop the vision and uphold the values. They define these and set the tone for their implementation. This requires them to establish trust in others. As the leader's character is the foundation of leadership, ethical leadership helps in earning the loyalty of followers and improves the organizational climate.

Ethical leadership has become prominent due to environmental pressures for good corporate governance and for leaders to be held accountable for their actions. Ethical leaders have high character, integrity and trustworthiness. They can motivate their followers like inspirational leaders and are capable of taking decisions that may be unpopular but in organizational interest. The competencies that responsible leadership requires are courage, business acumen, passion, and vision.

### Greening and Leadership

Climate change is a hotly debated but much-neglected subject. Visioning and creation of sustainable practices is complex and needs 'Green leadership'. There is a dire need of leaders who can face this problem squarely. Green leadership requires a person with acute awareness and sensitivity, values, reflection, and commitment. Such a leader has to build compassion and empathy with the stakeholders. An example is the Facebook CEO Mark Zuckerberg who has stated that "We don't build services to make money; we make money to build better services."

Green leaders need to have a high self-awareness and to learn to align their values with leadership practices. They have to understand the relevance of the diverse profile of the workforce and the need for constant innovation. Leaders need to shift from 'command and control' to 'listening and guiding'.

Environmental leadership theory signifies the human concern for optimum use of the available resources with full awareness of the results of over-utilization. It depends on such leadership to devise strategies to combat the likely crisis in the long run by avoiding overexploitation of these resources. Many ways of promoting clean operations have been defined by various organizations. Some of the measures taken or implemented by global companies are shown in Table 1.

Mckinsey's suggestions to China	Green Power , Green Fleet transport, Green Industry with low emissions, Green Buildings, Green mindset and consumer behavior
Google	Using only 50% energy than other data centers Using 35% renewable energy
Intel	14 solar electric installations in U.S. and Israel giving 5mn kWh per year
Tatas	Basic oxygen steelmaking gas recovery project in the UK Reduced electricity consumption in Thailand plant through Total Productive Maintenance program
Ford	Hybrid electric, plug-in hybrid electric and all-electric vehicles
Toyota	Aiming for a "low-carbon society"

**Table 1 –Measures for Going Green** (Source: Gole 2012)

Basically, corporate social responsibility (CSR) implies that business entities are responsible for the impact of their business on society. It maximizes and creates shared

value for owners, stakeholders and the society. It also avoids unfavorable impacts that may take place otherwise. CSR involves self-regulation, adherence to laws and ethical working. Business leaders have to take ethical decisions with full responsibility.

Cronje (2011) has suggested a model for collaborative leadership (see Figure 2). The leader owns the problem and involves the stakeholders through consultations. This leads to the shared mission and vision which leads to action. This is a suitable model for sustainability work.

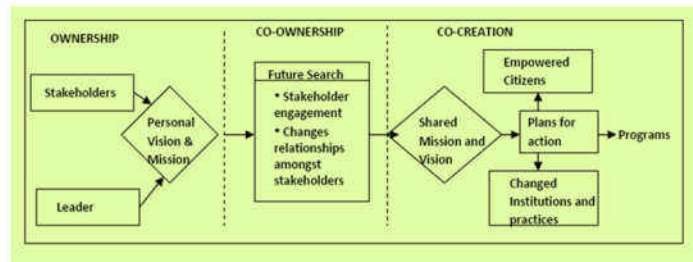


Figure 2 – The Collaborative Leadership Model (Source: Cronje 2011, p 29)

We can see that corporate greening is important in ensuring corporate sustainability. It is for the leadership to facilitate this process. The leadership role is indeed critical in providing corporate greening for a sustainable future for the organization. The collaborative leadership model shows a direction to fulfilling this aim.

## Conclusion

Corporate greening is important in ensuring corporate sustainability, and it is good leadership that can facilitate this process. Sustainability includes social responsibility, responsiveness and obligation. Leadership for sustainability requires extraordinary qualities of dealing with complexity.

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## Read this small story; Hope it makes a BIG change

Contributed by A I Sundararajan

Professor began his class by holding up a glass with some water in it. He held it up for all to see & asked the students "How much do you think this glass weighs? '50gms!' ..... '100gms!' ..... '125gms' ...the students answered.

"I really don't know unless I weigh it," said the professor, "but, my question is: What would happen if I held it up like this for a few minutes?"

'Nothing' ..the students said.

'Ok what would happen if I held it up like this for an hour?' the professor asked.

'Your arm would begin to ache' said one of the student.

"You're right, now what would happen if I held it for a day?"

"Your arm could go numb, you might have severe muscle stress & paralysis & have to go to hospital for sure!"

.. ventured another student & all the students laughed.

"Very good. But during all this, did the weight of the glass change?" asked the professor.

'No'. Was the answer.

"Then what caused the arm ache & the muscle stress?"

The students were puzzled.

"What should I do now to come out of pain?" asked professor again.

"Put the glass down!" said one of the students.

"Exactly!" said the professor.

Life's problems are something like this.

Hold it for a few minutes in your head & they seem OK.

Think of them for a long time & they begin to ache.

Hold it even longer & they begin to paralyze you. You will not be able to do anything.

It's important to think of the challenges or problems in your life,

But EVEN MORE IMPORTANT is to 'PUT THEM DOWN' at the end of every day before You go to sleep...

That way, you are not stressed, you wake up every day fresh & strong & can handle any issue, any challenge that comes your way!

So, when you leave office today, Remember to

"Drop the Glass"



## Kids Investment – “Caring & Nurturing a child for Great Nation”.

Prem Thakur



### What is KID's Investment all about?

Caring kids and nurturing them properly is great way of serving the nation, building a great nation. I elaborate this philosophy a bit, children with great care and good heritage with free of financial burden can add value in building a strong nation, they can think beyond the box bring creativity in life and society as well. They can become anything they want to be doctors, engineers, musicians, poet, film celebrity , scientists, Civil Services, pilot, social worker or even politician. In fact if parent provide children good culture with great financial support it works wonder for all.

### What are the challenges?

High quality child care provides not only private benefits for children and parents, but public benefits for society at large. High quality child care is not likely to be produced through the free market.

Barring few behavioral lesson which can be taught at home or in society where we live, all better thing is very costly and getting costlier day by day i.e. buying good books ,services of good heritage dance classes, painting schools, general study ,advance studies, research, marriage ,a reasonable good lively hood everything has a great impact on our earing . Therefore there is a reason to think our investment approach particularly for KIDS.

### How to do it?

Let me take you through some basic fundamentals of kids Investment. Market is full of various Kids plan for education, marriage, study abroad, insurance etc. but important is to understand and choose the right investment plan for right age of kids. Various article, survey and publications raise these points in various issues. In western countries kids investment has incentive scheme and in India we also have Tax incentive on these.

“The hard truth is that unless you start investing for your children in advance, in appropriate investment avenues, you are risking their future aspirations.”

**Nimesh Shah, MD & CEO, ICICI Prudential AMC**

One may consider some simple factors for calculation of target corpus.

1. Imagine if your kid has to get into professional education TODAY, how much will be needed, refer table given.
2. Segregate each Goal. Sons/ daughter's Education/ Marriage. Each goal has its own significance and value.
3. Adjust it with inflations, and number of years left for your kid to get into professional education.

Earlier you start more you gain because of compounding effect. Investment philosophy is differ as per individual preference depending upon various factors but to accumulate a required financial bucket is the key. Start investing now may be through SIP route now whatever the age of kid is, it will have compounding effect, and the rule of compounding is simple "the sooner you start investing, the more time your money has to grow.

**Albert Einstein once said, "compound interest is eighth wonder of the world. He who understand it, earn it ... he who doesn't ...pays it."**

At present scenario when economy is growing and will grow in future for sure one has to take the advantage of early investment and that too through SIP. Set your objective and start investing towards this, I have a magic box which has all answer for everyone. Please refer return table given below and plan as per your personal preference, simple example:

Return Projections SIP Rs. 10,000/- Per month						
Return Assured	No. of Years of Investments					
	5	10	15	20	25	30
10%	Rs. 771,717	Rs. 2,014,576	Rs. 4,016,212	Rs. 7,239,867	Rs. 12,431,596	Rs. 20,792,927
12%	Rs. 811,036	Rs. 2,240,359	Rs. 4,759,314	Rs. 9,198,574	Rs. 17,022,066	Rs. 30,809,732
15%	Rs. 873,421	Rs. 2,630,182	Rs. 6,163,656	Rs. 13,270,734	Rs. 27,565,608	Rs. 56,317,704
20%	Rs. 987,040	Rs. 3,443,110	Rs. 9,554,599	Rs. 24,761,940	Rs. 62,602,670	Rs. 156,762,515

As per the age and requirement one can define the mile stones –early education-higher education-marriage or may be after education for startup also.

Suppose for after 10 year for JEE IT /FITJEE admission, after 15 years for MBA at IIMs or for research in India or abroad, Medical, Engineering may be to start a business and marriage even.

1. **Open Bank Account:** Start with a bank account in any bank with minor account under guardianship of parent. Deposit all the money recd from relatives, scholarship, own contributions etc. in the same account.
2. **Term Insurance:** Do not opt life insurance of kid as this has no value for parent and is emotional diversification also. Rather buy children insurance plans available which cover risk coverage for parents or earning member. This is an additional term insurance plan you should take in your name to protect your child's future. For example if you think that it would cost Rs. 20 lac for education/marriage, you can consider taking Rs. 20 lac additional term insurance. For 30 years of age it should cost you Rs.5000/- p.a. this will protect your child's education /marriage up to 20 lac. There are no. of insurance plan offered by LIC, HDFC, ICICI and other insurance players. Unlike term insurance child plan continue after death of policy holder and rest premium paid by insurer.



3. **One Time Investment vs SIP:** For each mile stone plan one SIP with hybrid product (blended combination of debt and equity) which gives higher return and same time down side protection. If you have surplus cash you may even make onetime payment for a lifetime of benefits. Kotak Life Insurance enables you to make the most of your cash surplus in this plan.
4. **Mutual Fund:** Invest in large cap or balance mutual fund through SIP to create good wealth. These are low at risk. Do you know that Rs. 10 k SIP per month in top performing Mutual funds @ 12% even can fetch you for your kids in 10 years Rs 22.40 lacs and 92 lac in 20 years for a small startup or for higher education.
5. **PPF account:** This is the best investment to lock money for 15 years at a decent rate of 8.70% and a post-tax return would be approximate 9% to 11% as per the tax slab you fall in. Maximum limit is 1 lac p.a and in 15 years it may fetch you 31.30 lac which would be tax free.
6. **NSC and ULIP:** One can create moderate wealth by investing in NSC and ULIP schemes; I am not in favor of ULIP schemes and other traditional insurance policies. They are very expensive, though they are most advertised. If you are a low risk investor and do not believe in stock market dependent investment schemes, you can look for ULIP scheme. You can expect 5% to 7% annualized returns from these.
7. **Direct Equity:** One can use this option if has market knowledge .open a DMAT account in the name of child and keep on investing in good quality stock but one has to be very careful in this and should not get carry away by the momentum of the equity markets.
8. **Commodities:** this method is specially followed in India where there are girl children, investing in commodities like Gold, Silver etc. on ETF (exchange traded fund). Gold is all time favorable and good bet for risk aversion therefore one can buy it at its low level these days.
9. **Tax impact:** keep away from instruments whose returns will be subject to tax incidence on an accrual basis. I have explained the tax impact on investment in my last article also. Please make sure you get tax relief from these investment returns and need to understand the MIX of debt/equity/dividend/insurance etc. as we plan for Kids and that too horizon is long therefore indexation or capital gain can be managed easily.
10. **Child dedicated products:** this really helps to create a surplus for child future with a protection of earning member's demise. These policies are great in sense and with decent return. Maximum child age here is 18 years.



Children's Plan	1 Year	3 Year	5 Year	Gener
ICICI Pru Child care Plan - Gift Plan	62%	22%	15%	Eq and Debt - Mid Cap
HDFC Children's Gift Fund - Investment Plan	42%	20%	19%	Eq and Debt - Mid Cap

**Friends! Do you know that World's 96% Wealth is held by 1% People while 99% of the (well) educated people work their lifetime for these 1% people...?**

We cannot simply put our kid's future in the hands of uncertainty. Plan it now or you discuss with good financial planner for the matter.

Friends, while I have provided some of the best ways, you can consider them individually or in a combination to arrive the best children investment plan which suits you.

For further enquiry, please reach out to me at [prem\\_thakur2001@hotmail.com](mailto:prem_thakur2001@hotmail.com), [prem.thakur@soprasteria.com](mailto:prem.thakur@soprasteria.com) and I will be happy to assist you.



## Noida Management Association featured in AIMA News

October 2016

### Noida Management Association

An evening talk was organised on 1st October on the subject 'Decision making Process in the organisation'. Mr Anil Bhatnagar an eminent Corporate Trainer, Professional, Technocrat, and Academician was the speaker. He spoke on how effective and successful decision makes profit to the company and unsuccessful one makes losses. Mr SK Tomer, President, NMA welcomed the members and the speaker. 60 participants attended the programme from various industries in Noida and Greater Noida. The programme was a great success and members were highly impressed with the lecture programme.



*Felicitating of the speaker*

An another programme was organised on 15th October on 'Goods & Services Tax' by Mr Chitresh Gupta, a fellow member of the Institute of Chartered Accountants of India and Member of Indirect Taxation Committee of NIRC of ICAI and PHD chamber of Commerce. Mr SK Tomer, President, NMA welcomed the members and the speaker. The programme was a great success with around 70 participants.



*Lecture on 'Goods & Services Tax'*

December 2016

### Noida Management Association

Noida Management Association organised 'Social Services and Feeding the Poor Programme' on 24th December. Mr S N Singh, President, NMA and Mr S S Verma, Founder Members, NMA along with his team members distributed more than 150 blankets to the poor people.



*'Motivation-The Force of Action'*

NMA delivered the vote of thanks. 45 participants from various industries in Noida and Greater Noida attended the programme which was well received by the participants.



*Distribution of blankets*

An Evening talk was organised on 24th December on the subject 'Motivation-The Force of Action'. The speaker for the session was Wg. Cdr. (Retd) GS Nehra, a trainer and motivational speaker. Mr S N Singh, President, NMA welcomed the members and the speaker. Mr C B Sharma, Hony. Secretary,

## January 2017

AIMA | NEWS FROM LMA | JANUARY 2017



### Noida Management Association

An evening talk was organised on 28th January on the subject 'Self Awareness & Leadership' by Mr Hans Dholakia Founder President, Holistic Health & Luminous Learning Inc. Mr Dholakia explained what is self, what are different levels of our being, why self-awareness at all levels is essential, and finally how an expanding self-awareness enhances leadership. Mr SN Singh President NMA inaugurated the programme and welcomed all the participants in NMA House. The vote of thanks was extended by Mr CB Sharma, Hony Secretary, NMA. The programme was attended by more than 70 participants and professionals.



*Felicitation of the speaker*

## February 2017

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### Noida Management Association

#### Evening Lecture

Noida Management Association in association with Clairvoyant Advocate and Consultants organised an evening lecture on 'Goods & Service Tax' on 25th February. Mr SN Singh, President, NMA inaugurated the programme and welcomed the participants. CA Nagesh Bajaj was the speaker for the session and explained that GST will convert the concept of one tax one market into reality. The vote of thanks was extended by Mr Surinder Mohan, Vice President-HR, C&S Electric Limited. The programme was well received by more than 75 professionals across the industries in Noida and Greater Noida.



*Felicitation of the speaker*



# NMA Membership

Noida Management Association (NMA) was created as an apex body of professional management. It is an autonomous non-profit professional body registered under the societies registration Act and is affiliated to AIMA. NMA has a large membership base comprising of leading National and Global Corporates, Professional and Academicians. Our membership fee structures are given below.

## Subscription fee

For Organizational Members:		
Organization Turnover	Annual Fee (Rs.)	Life Membership (Rs.)
Upto 5 Crore	2,000/-	
5 Crore to 50 Crore	3,000/-	
50 Crore to 100 Crore	5,000/-	
Over 100 Crore	10,000/-	1,00,000/-
Institutions	3,000/-	30,000/-

For Individual/Professional Members:		
Category	Annual Fee (Rs.)	Life Membership (Rs.)
Individual / Professional Member	600/-	6,000/-
Student Member	300/- (for two years)	

## Membership Benefits

1. An opportunity to interact with Professionals from across the Industry
2. Invitation to monthly evening lectures organized by NMA free of cost
3. Special discount on seminars and workshops organized by both NMA and AIMA
4. Members receive the NMA's quarterly News-letter "Management Paradigm" complimentary

For any queries and enrolling as members, please contact:

**The Executive Officer**

**Noida Management Association**

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