

# Cost Accounting

## **COST – MEANING**

Cost means the amount of expenditure (actual or notional) incurred on, or attributable to, a given thing.

# Cost Accounting- Meaning

- Cost accounting is concerned with recording, classifying and summarizing costs for determination of costs of products or services, planning, controlling and reducing such costs and furnishing of information to management for decision making

# Definition

- “Cost accountancy” as the application of costing and cost accounting principles, method and techniques to the science, art and practice of cost control and the ascertainment of profitability



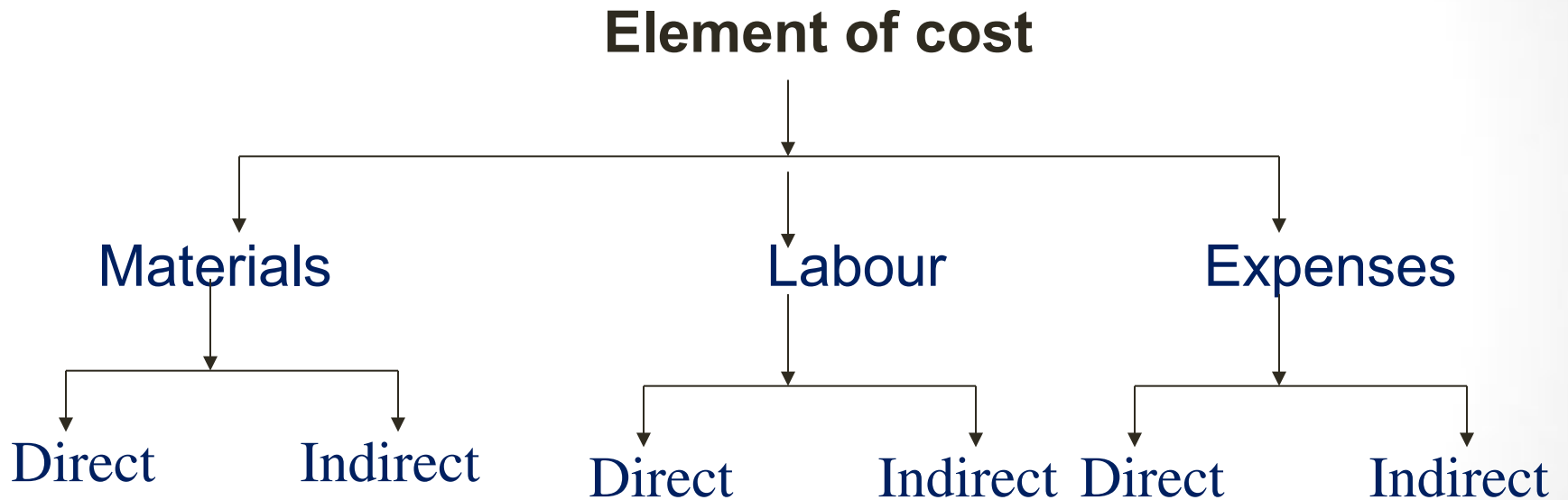
## 2. OBJECTIVES OF COST ACCOUNTING

- Ascertainment of costs
- Estimation of costs
- Cost control
- Cost reduction
- Determining selling price
- Facilitating preparation of financial and other statement
- Providing basis for operating policy

### 3. COST TERMINOLOGY

- **COST:** Cost means the amount of expenditure incurred on a particular thing.
- **COSTING:** Costing means the process of ascertainment of costs.
- **COST ACCOUNTING:** The application of cost control methods and the ascertainment of the profitability of activities carried out or planned”.
- **COST CONTROL:** Cost control means the control of costs by management. Following are the aspects or stages of cost control.
- **JOB COSTING:** It helps in finding out the cost of production of every order and thus helps in ascertaining profit or loss made out on its execution. The management can judge the profitability of each job and decide its future courses of action.
- **BATCH COSTING:** Batch costing production is done in batches and each batch consists of a number of units, the determination of optimum quantity to constitute an economical batch is all the more important.

# ELEMENTS OF COST



**MATERIAL:** The substance from which the finished product is made is known as material.

(a) **DIRECT MATERIAL:** is one which can be directly or easily identified in the product Eg: Timber in furniture, Cloth in dress, etc.

(b) **INDIRECT MATERIAL:** one which cannot be easily identified in the product.

## *EXAMPLES OF INDIRECT MATERIAL*

At factory level – lubricants, oil, consumables, etc.

At office level – Printing & stationery, Brooms, Dusters, etc.

At selling & dist. level – Packing materials, printing & stationery, etc.

**LABOUR:** *The human effort required to convert the materials into finished product is called labour.*

(a) **DIRECT LABOUR:** is one which can be conveniently identified or attributed wholly to a particular job, product or process.  
Eg:wages paid to carpenter, fees paid to tailor,etc.

(b) **INDIRECT LABOUR:** is one which cannot be conveniently identified or attributed wholly to a particular job, product or process.

## EXAMPLES OF INDIRECT LABOUR

At factory level – foremen's salary, works manager's salary, gate keeper's salary, etc

At office level – Accountant's salary, GM's salary, Manager's salary, etc.

At selling and dist.level – salesmen salaries, Logistics manager salary, etc.

**OTHER EXPENSES:** are those expenses other than materials and labour.

**DIRECT EXPENSES:** are those expenses which can be directly allocated to particular job, process or product. Eg : Excise duty, royalty, special hire charges,etc.

**INDIRECT EXPENSES:** are those expenses which cannot be directly allocated to particular job, process or product.



# Examples of other expenses

At factory level : factory rent, factory insurance, lighting, etc.

At office level : office rent, office insurance, office lighting, etc.

At sales & dist.level : advertising, show room expenses like rent, insurance, etc.

## 4. COST CLASSIFICATION

### **Classification On basis of :**

- ▶ **Nature**
- ▶ **Function**
- ▶ **Direct & indirect**
- ▶ **Variability**
- ▶ **Controllability**
- ▶ **Normality**
- ▶ **Financial accounting classification**
- ▶ **Time**
- ▶ **Planning and control**
- ▶ **Managerial decision making**

# ON THE BASIS OF NATURE

➤ **Materials**

➤ **Labor**

➤ **Expenses**

## ON THE BASIS OF FUNCTION

- **Manufacturing costs**
- **Commercial costs – ADM and S&D Costs**

## ON THE BASIS OF DIRECT AND INDIRECT

- **Direct costs**
- **Indirect costs**

# ON THE BASIS OF VARIABILITY

➤ **Fixed costs**

➤ **Variable costs**

➤ **Semi variable costs**

## ON THE BASIS OF CONTROLLABILITY

- **Controllable costs**

- **Uncontrollable costs**

## ON THE BASIS OF NORMALITY

- **Normal costs**

- **Abnormal costs**

# ON THE BASIS OF FINANCIAL ACCOUNTS:

- **Capital costs**
- **Revenue costs**
- **Deferred revenue costs**

## ON THE BASIS OF TIME:

- Historical costs
- Pre determined costs

## ON THE BASIS OF PLANNING AND CONTROL:

- Budgeted costs
- Standard costs



# ON THE BASIS OF MANAGERIAL DECISION MAKING

- **Marginal costs**
- **Out of pocket costs**
- **Sunk costs**
- **Imputed costs**
- **Opportunity costs**
- **Replacement costs**
- **Avoidable costs**
- **Unavoidable costs**
- **Relevant and irrelevant costs**
- **Differential costs**

*Thank You*

# What is decision making?

Decision-making is one of the central activities of management and is a huge part of any process of implementation .

Good decision making is an essential skill to become an effective leaders and for a successful career .

“A decision is a judgment. It is a choice between alternatives. It is rarely a choice between right and wrong. It is at best a choice between “almost right” and “probably wrong”-

Drucker.

# The Significance of decision making

- Decision making is the one truly distinctive characteristic of managers.
- Decisions made by top managers commit the total organization toward particular courses of action.
- Decisions made by lower levels of management implement the strategic decisions of top managers in the operating areas of the organization.
- Decisions invariably involve organizational change and the commitment of scarce resources.

# TECHNIQUES OF DECISION MAKING



Brainstorming

Delphi Technique

Linear  
Programmin  
&

Network  
Analysis

Cost Benefit  
Analysis



# Techniques for Decision Making

## 1. DELPHI TECHNIQUE

The name Delphi indicates a shrine at which the ancient Greeks used to pray for information about the future.

In Delphi technique of decision making, members do not have face – to – face interaction for group decision.

The decision is arrived at through written communication in the form of filling up questionnaires often through mail.

In the conventional Delphi, a small group designs a questionnaire which is completed by a larger respondent group.

Its greatest advantage is that it avoids many of the biases and obstacles associated with interacting groups (that is, groups where the members meet face-to-face)

## DELPHI follows these steps:

- Select a group of individuals who possess expertise in a given problem area
- Survey the experts for their opinions via a mailed questionnaire.
- Analyse and distil the experts' responses.
- Mail the summarised results of the survey to the experts and request that they respond once again to a questionnaire.
- If one expert's opinion sharply differs from the rest, he or she may be asked to provide a rationale.
- process is repeated several times, the experts usually achieve a consensus

## 2. BRAINSTORMING

Brainstorming is a technique to stimulate ideas generation for decision making originally applied by Osborn in 1938 in an American company, the technique is now widely used by many companies, educational institutions and the other organizations for building ideas.

Osborn has defined brainstorming simply as using brain to storm the problem.

Webster dictionary defines brainstorming as “a conference technique by which a group attempts to find a solution for a specific problem by amassing all the ideas spontaneously contributed by its members”.

For Brainstorming, a group of 10-to-15 persons is constituted. The participants should be connected with the problem directly or closely, through they need not necessarily be from the discipline.



### **3.LINEAR PROGRAMMING**

This technique is used to determine the best use of limited resources for achieving a given objective. It is based on the assumption that there exists a linear relationship between variables and the limits of variations could be ascertained.

It is particularly helpful where input data can be quantified and objectives are subject to definite measurement. Linear programming is applicable in such problem areas as production planning, transportation, warehouse location and utilization of production and warehouse facilities at an overall minimum cost.

## 4.NETWORK ANALYSIS

Network technique is used for preparing and controlling the project activities.

Project Evaluation and Review Technique (PERT) and Critical Path Method (CPM) are used for planning, monitoring and implementing time bound projects.

These techniques help managers in deciding the logical sequence in which various activities will be performed.

By applying this techniques large and complex projects can be executive within the stipulated time and cost.

## 5. COST BENEFIT ANALYSIS

A cost benefit analysis (also known as a benefit cost analysis) is a process by which organizations can analyze decisions, systems or projects, or determine a value for intangibles.

The model is built by identifying the benefits of an action as well as the associated costs, and subtracting the costs from benefits.

When completed, a cost benefit analysis will yield concrete results that can be used to develop reasonable conclusions around the feasibility and/or advisability of a decision or situation.



THANK YOU!



SEMESTER 1

# BUSINESS ECONOMICS

The study of abundance,  
scarcity and choices.

# INTRODUCTION

Economics is the study of scarcity and its implications for the use of resources, production of goods and services, growth of production and welfare over time, and a great variety of other complex issues of vital concern to society.

Adam Smith

Adam Smith is called the "father of economics" because of his theories on capitalism, free markets, and supply and demand.

## **What Is Business?**

A business can be described as an organization or enterprising entity that engages in professional, commercial or industrial activities. There can be different types of businesses depending on various factors. Some are for-profit, while some are non-profit.

# Business Economics



- Business economics is a field of applied economics that studies the financial, organizational, market-related, and environmental issues faced by corporations.

Business economics encompasses subjects such as the concept of scarcity, product factors, distribution, and consumption.


*Business economics is a field of study that reviews the implementation of the economic system in business operations. It assists in utilizing the nature and importance of financial analysis to clarify business problems. Moreover, the introduction to this definition helps balance between limited sources and unlimited aspirations.*

# What is Microeconomics?

Microeconomics is the study of decisions made by people and businesses regarding the allocation of resources and prices of goods and services. The government decides the regulation for taxes. [Microeconomics](#) focuses on the supply that determines the price level of the economy.

It uses the bottom-up strategy to analyse the economy. In other words, microeconomics tries to understand human's choices and allocation of resources. It does not decide what are the changes taking place in the market, instead, it explains why there are changes happening in the market.





The key role of microeconomics is to examine how a company could maximise its production and capacity, so that it could lower the prices and compete in its industry. A lot of microeconomics information can be obtained from the financial statements.

The key factors of microeconomics are as follows:

- Demand, supply, and equilibrium
- Production theory
- Costs of production
- Labour economics

**Examples:** Individual demand, and price of a product.

# What is Macroeconomics?

Macroeconomics is a branch of economics that depicts a substantial picture. It scrutinises itself with the economy at a massive scale, and several issues of an economy are considered. The issues confronted by an economy and the headway that it makes are measured and apprehended as a part and parcel of [macroeconomics](#).

Macroeconomics studies the association between various countries regarding how the policies of one nation have an upshot on the other. It circumscribes within its scope, analysing the success and failure of the government strategies.

In macroeconomics, we normally survey the association of the nation's total manufacture and the degree of employment with certain features like cost prices, wage rates, rates of interest, profits, etc., by concentrating on a single imaginary good and what happens to it.



The important concepts covered under macroeconomics are as follows:

1. Capitalist nation
2. Investment expenditure
3. Revenue

**Examples:** Aggregate demand, and national income.

# ECONOMICS VS BUSINESS ECONOMICS:

1. Economics has both micro and macro aspects. But Business Economics is essentially micro in character.
2. Economics studies both firm and individual while Business Economics studies only the problems of a business firm.
3. In Economics we study the concepts and theoretical aspects of economic analysis. But Business Economics is an applied part of the study.
4. Economics is both positive and normative science. But Business Economics is essentially normative in nature.
5. Economics studies only economic aspects of the problem whereas Business Economics studies both Economic and non economic aspects.
6. Economics studies the principles underlying rent, wages, interest and profit. But Business Economics studies mainly the principles of profit only.
7. In Economics, before explaining a concept or theory certain assumptions are being made. But in Business Economics these assumptions disappear due to practical situations.

A grayscale background image showing a business meeting. Several people in business attire are gathered around a table, with their hands and arms visible. A laptop is open on the table, and one person is holding a pen over a document. The overall scene is professional and collaborative.

# SCOPE OF BUSINESS ECONOMICS

Demand Analysis and  
Forecasting

Cost And Production  
Analysis

Costing Decisions and  
Strategies

Profit Management

Wealth Management

# MARGINALISM

## Marginalism



# INCREMENTALISM



# MARKET FORCES

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- The definition of market forces is that it is the economic factors that influence the price and quantity of goods and services in a market.
- Examples of market forces are competition, consumer preferences, technological advancements, economic growth, and government regulations.
- Changes in market forces may have a significant impact on the behaviour of buyers and sellers in the market.
- Understanding market forces is crucial for businesses to make decisions about pricing strategies, marketing campaigns, and product development.



# Market Equilibrium

Market equilibrium is the condition where the production by the sellers and the demand of that product by the buyer becomes equal. We can find the equilibrium price by putting the demand equal to the demand. The equilibrium price is the price at which the quantity demanded equals the quantity supplied.

The demand curve is the curve that depicts the quantity demanded at any price while the supply curve depicts the quantity supplied at any price. So there is one price on the graph that they have in common, which is at the intersection of the two curves.

## What is consumer behavior?

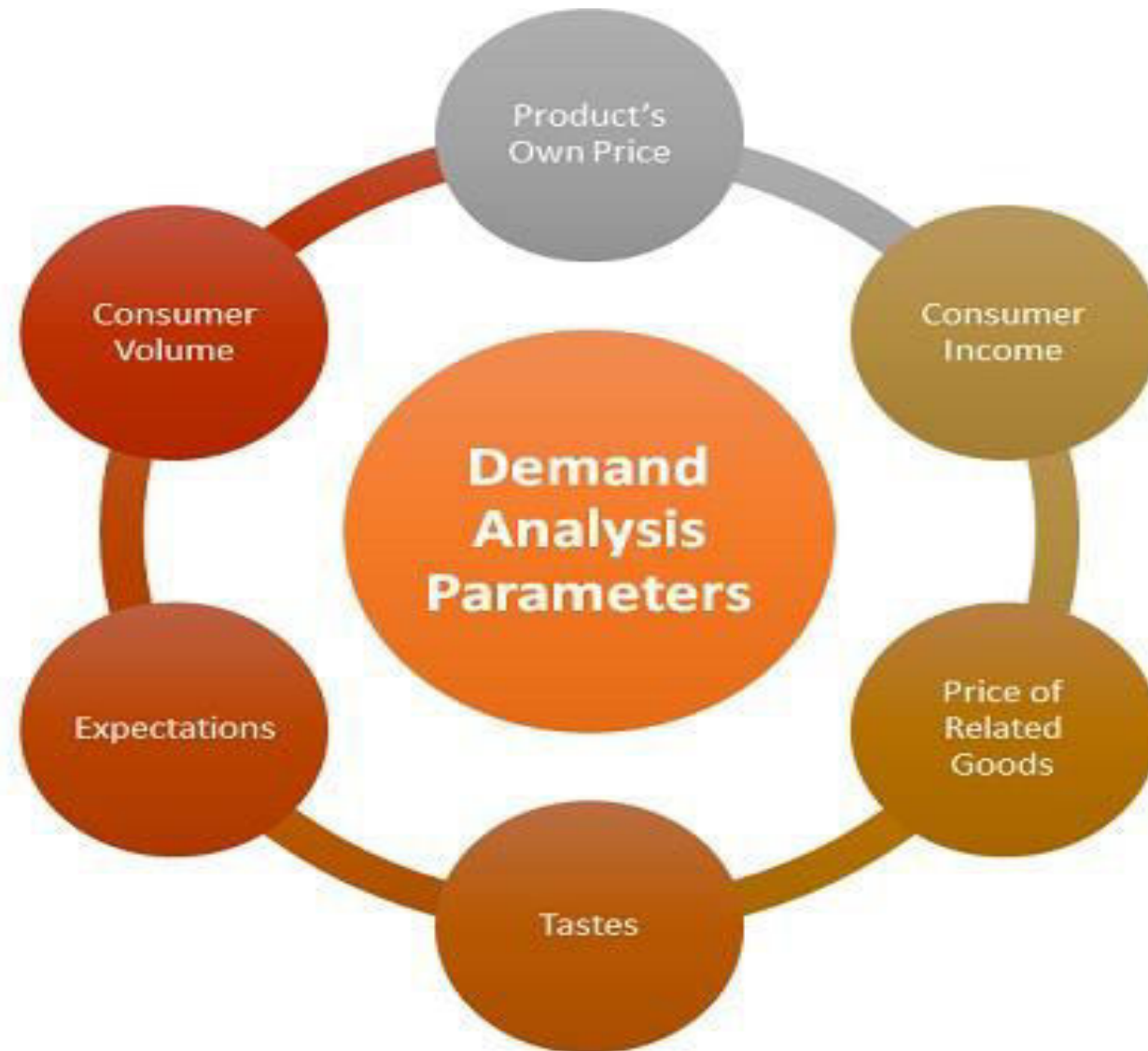
Consumer behavior is the actions and decisions that people or households make when they choose, buy, use, and dispose of a product or service. Many psychological, sociological, and cultural elements play a role in how consumers engage with the market.

It is a multi-stage process that involves identifying problems, collecting data, exploring options, making a decision to buy, and evaluating the experience afterward. Consumers may be impacted during these stages by things including personal views and values, social conventions, marketing campaigns, product features, and environmental conditions.

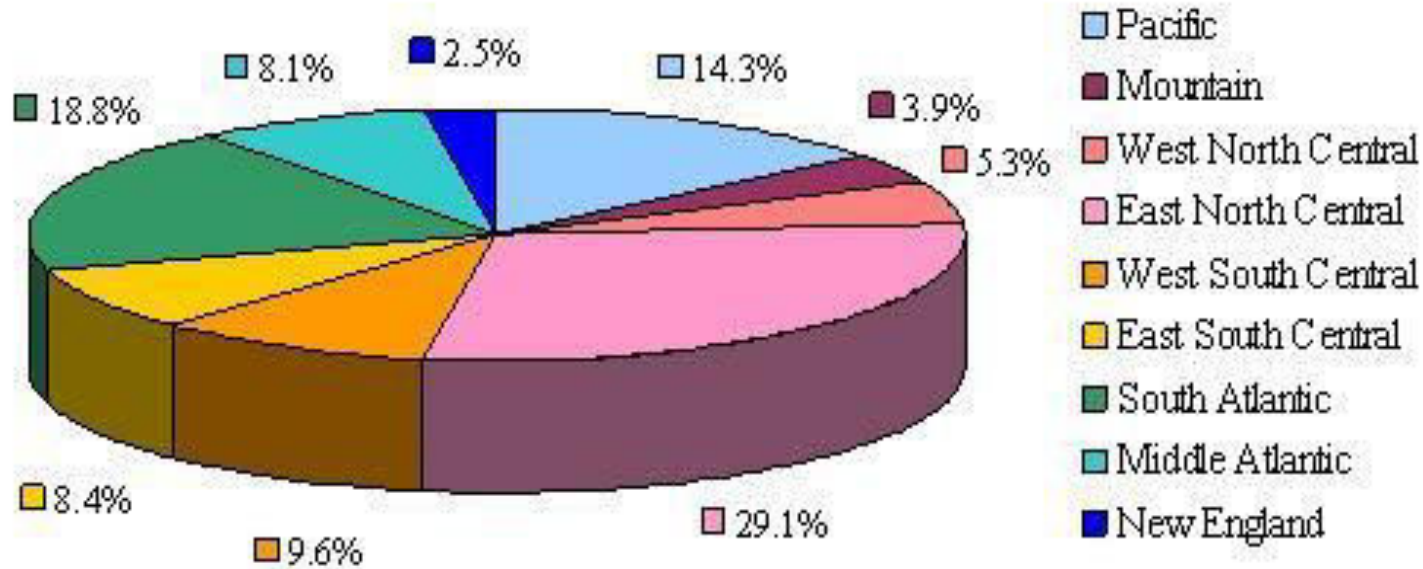
Understanding consumer behavior is essential for businesses to create marketing plans that work and to supply goods and services that satisfy customers' wants and needs. To see trends and patterns, forecast demand, and make wise choices regarding product design, price, promotion, and distribution, marketers must analyze and understand data on customer behavior.

## What is Demand Analysis?

Demand analysis is a research done to estimate or find out the customer demand for a product or service in a particular market. Demand analysis is one of the important consideration for a variety of business decisions like determining sales forecasting, pricing products/services, marketing and advertisement spending, manufacturing decisions, expansion planning etc. Demand analysis covers both future and retrospective analysis so that they can analyze the demand better and understand the product/service's past success and failure too.



## U.S. Restaurant Industry Market Demand Analysis



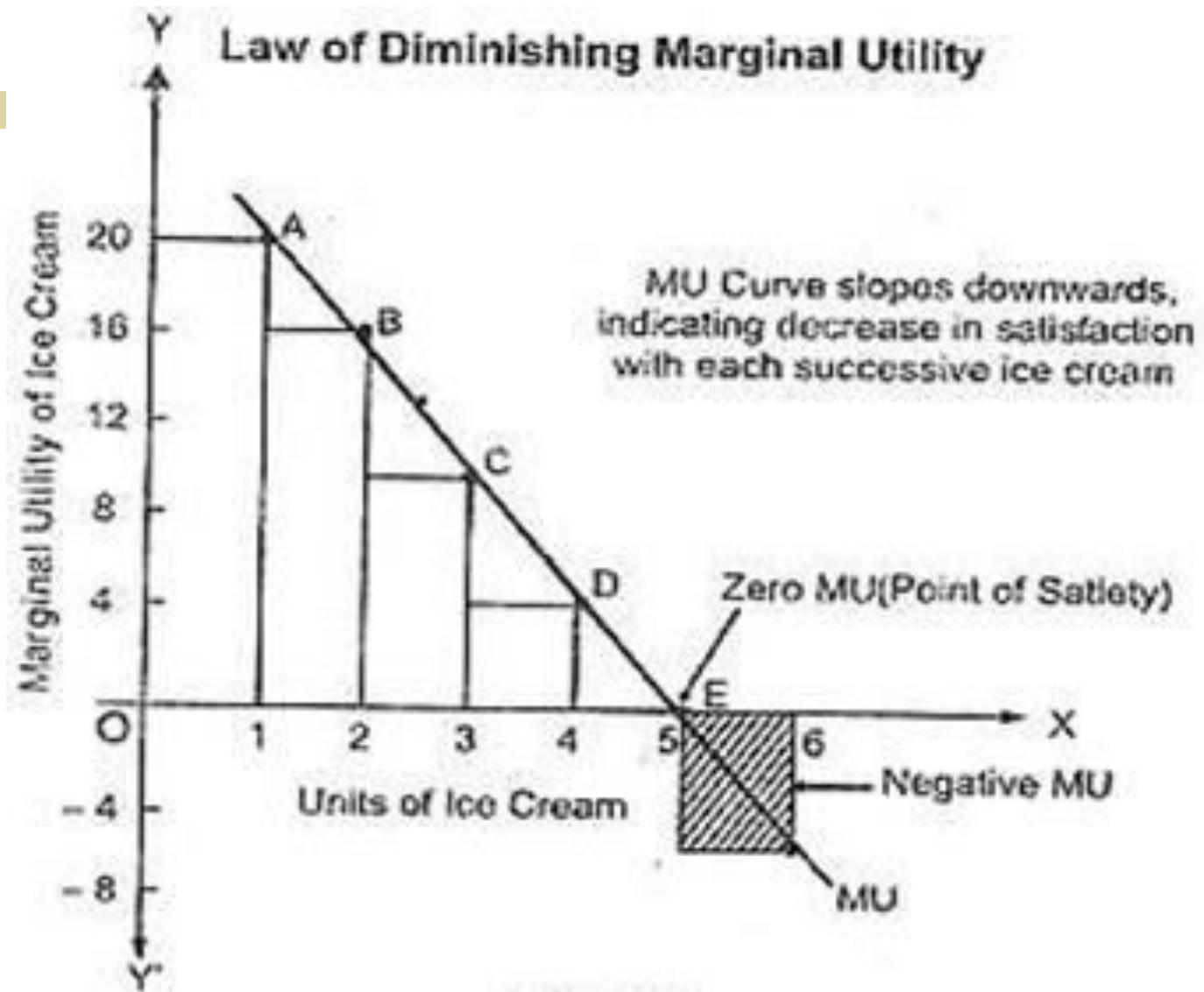
It shows that market activity is highest in East North Central area. The figures are arrived by tracking the annual sales in each region. So for offering a particular product in this market, a company needs to analyze if they can do business in multiple sub-markets with decent demand or focus on sub markets or areas with high demand. Both aspects are part of demand analysis to be done by the company based on product or service parameters.

## What is 'Law of diminishing utility'

The law of diminishing marginal utility holds that as we consume more of an item, the amount of satisfaction produced by each additional unit of that good declines. The change in utility gained from utilizing an additional unit of a product is known as marginal utility.

### •ASSUMPTIONS OF LAW OF D.M.U.

- Units of commodities consumed should be identical or homogeneous, that is, the same in all respects.
- Units should be consumed in quick succession with minimal breaks in between.
- Units should be of a standard size, that is, neither too big nor too small.
- The taste of the consumers should be constant.
- There should be no change in the price of substitute goods. If the prices of substitute goods change, it may become difficult to have an idea about the utility that the consumer might get from the main commodity.
- The utility is measurable.
- The consumer is rational while making consumption decisions.



# Law of Equi Marginal Utility:

This law is based on the principle of obtaining maximum satisfaction from a limited income. It explains the behavior of a consumer when he consumes more than one commodity.

The law states that a consumer should spend his limited income on different commodities in such a way that the last rupee spent on each commodity yield him equal marginal utility in order to get maximum satisfaction.



# Assumptions of the Law

- There is no change in the price of the goods or services.
- The consumer has a fixed income.
- The marginal utility of money is constant.
- A consumer has perfect knowledge of utility.
- Consumer tries to have maximum satisfaction.
- The utility is measurable in cardinal terms.
- There are substitutes for goods.
- A consumer has many wants.

<u>Money (Units)</u>	<u>MU of apples</u>	<u>MU of bananas</u>
1	10	8
2	9	7
3	8	6
4	7	5
5	6	4
6	5	3

1. \$1 on apples and \$5 on bananas. The total utility he can get is:

$$[(10) + (8+7+6+5+4)] = 40.$$

2. \$2 on apples and \$4 on bananas. The total utility he can get is:

$$[(10+9) + (8+7+6+5)] = 45.$$

3. \$3 on apples and \$3 on bananas. The total utility he can get is:

$$[(10+9+8) + (8+7+6)] = 48.$$

4. \$4 on apples and \$2 on bananas. This way the total utility is:

$$[(10+9+8+7) + (8+7)] = 49.$$

5. \$5 on apples and \$1 on bananas. The total utility he can get is:

$$[(10+9+8+7+6) + (8)] = 48.$$

Total total utility for consumer is 49 utils that is the highest obtainable with expenditure of \$4 on apples and \$2 on bananas. Here the condition MU of apple = MU of banana i.e  $7 = 7$  is also satisfied. Any other allocation of the last dollar shall give less total utility to the consumer.

# Budget line

The budget line is a graphical delineation of all possible combinations of the two commodities that can be bought with provided income and cost so that the price of each of these combinations is equivalent to the monetary earnings of the customer.

In other words, the slope of the budget line can be described as a straight line that bends downwards and includes all the potential combinations of the two commodities which a customer can purchase at market value by assigning his/her entire salary. The concept of the budget line is different from the [Indifference curve](#), though both are necessary for [consumer equilibrium](#).

The two basic elements of a budget line are as follows:

- The consumer's purchasing power (his/her income)
- The market value of both the products

# Equation of a Budget Line

## Example of a Budget Line

Radha has ₹50 to buy a biscuit. She has a few options to allocate her income so that she receives maximum utility from a limited salary.

Budget schedule			
Combination	Cream biscuit (@ ₹10 per packet)	Plain biscuit (@ ₹5 per packet)	Budget allocation
A	0	10	$10 \times 0 + 5 \times 10 = 50$
B	1	8	$10 \times 1 + 5 \times 8 = 50$
C	2	6	$10 \times 2 + 5 \times 6 = 50$
D	3	4	$10 \times 3 + 5 \times 4 = 50$
E	4	2	$10 \times 4 + 5 \times 2 = 50$
F	5	0	$10 \times 5 + 5 \times 0 = 50$

$$M = P_x \times Q_x + P_y \times Q_y$$

Where,

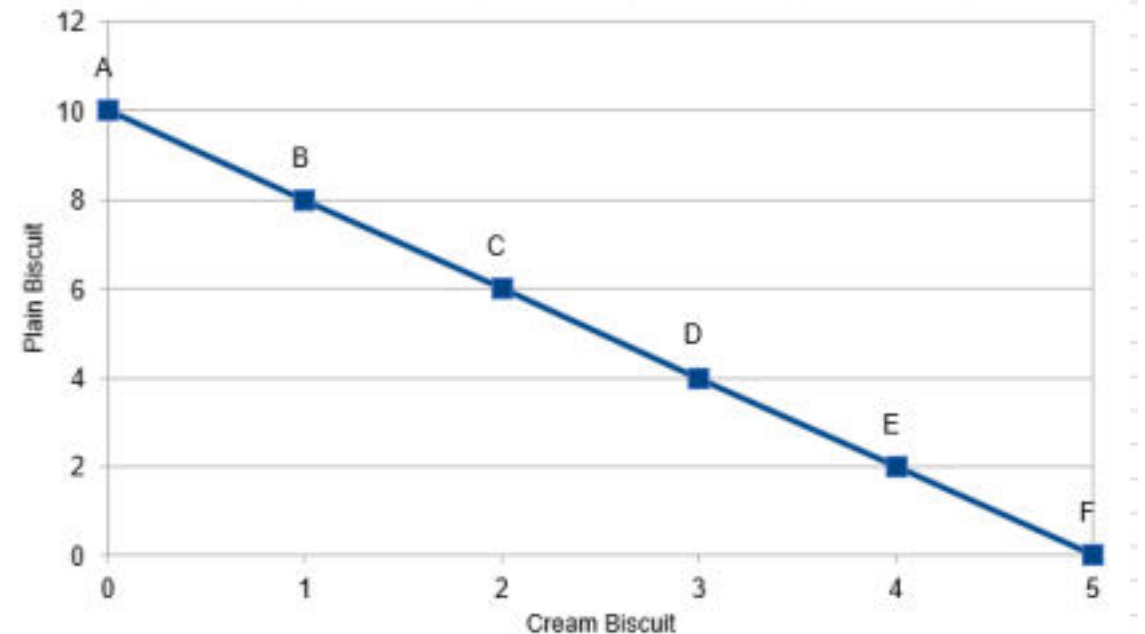
$P_x$  is the cost of product X.

$Q_x$  is the quantity of product X.

$P_y$  is the cost of product Y.

$Q_y$  is the quantity of product Y.

$M$  is the consumer's income.



## Features of Budget Line

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Some of the properties of the budget line are as follows:

**Negative slope:** If the line is downward, it shows a reverse correlation between the two products.

**Straight line:** It indicates a continuous market rate of exchange in individual combinations.

**Real income line:** It denotes the income and the spending size of a customer.

**Tangent to indifference curve:** It is the point when the indifference curve meets the budget line. This point is known as the consumer's equilibrium

## Assumptions of a Budget Line

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The budget line is mostly based on the assumption and not reality. However, to get clear and precise results and summary, the economist considers the following points in terms of a budget line:

**Two commodities:** The economist assumes that the customers spend their income to purchase only two products.

**Income of the customers:** The income of the customer is limited, and it is designated to buy only two products.

**Market price:** The cost of each commodity is known to the customer.

**Expense is similar to income:** It is assumed that the customer spends and consumes the whole income.

## A shift in Budget Line

A budget line includes a consumer's earnings and the rate of a commodity. These are the two important factors that shift the budget line.

**Shift due to change in price:** The amount of the product either increases or decreases from time to time. For instance, if the price and income of product A remains constant and the price of product B decreases, then the buying potential of product B automatically increases. Similarly, if the price of B increases and the other factors remain steady, the demand for product B automatically decreases.

**Shift due to change in income:** Change in income makes a huge difference that leads to a change in the budget line. High income means high purchasing possibility and low income means low purchasing potential, making the budget line to shift.

# Elasticity of Demand

To begin with, let's look at the definition of the elasticity of demand: "Elasticity of demand is the responsiveness of the quantity demanded of a commodity to changes in one of the variables on which demand depends. In other words, it is the percentage change in quantity demanded divided by the percentage in one of the variables on which demand depends."

The variables on which demand can depend on are:

- Price of the commodity
- Prices of related commodities
- Consumer's income, etc.



# Types of Elasticity of Demand

## Price Elasticity

The price elasticity of demand is the response of the quantity demanded to change in the price of a commodity. It is assumed that the consumer's income, tastes, and prices of all other goods are steady. It is measured as a percentage change in the quantity demanded divided by the percentage change in price. Therefore,

$$\text{Price Elasticity} = E_p = \frac{\text{Percentage change in quantity demanded}}{\text{Percentage change in price}}$$

Or,

$$E_p = \frac{\text{Change in Quantity} \times 100}{\text{Original Quantity}} \div \frac{\text{Change in Price} \times 100}{\text{Original Price}}$$
$$= \frac{\text{Change in Quantity}}{\text{Original Quantity}} \times \frac{\text{Original Price}}{\text{Change in Price}}$$

## Income Elasticity

The income elasticity of demand is the degree of responsiveness of the quantity demanded to a change in the consumer's income. Symbolically,  
 $E_I = \text{Percentage change in quantity demanded} / \text{Percentage change in income}$

# Cross Elasticity

The cross elasticity of demand of a commodity X for another commodity Y, is the change in demand of commodity X due to a change in the price of commodity Y. Symbolically,

$$E_c = \frac{\Delta q_x}{q_x} \times \frac{p_y}{\Delta p_y}$$

Where,

$E_c$

is the cross elasticity,

$\Delta q_x$

is the original demand of commodity X,

$\Delta q_x$

is the change in demand of X,

$\Delta p_y$

is the original price of commodity Y, and

$\Delta p_y$



## ABOUT US

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**VanArsdel, Ltd.**

# PROBLEM

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# PRODUCT

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## PRODUCT PART 2

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**VanArsdel, Ltd.**

# DIVIDER

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# BUSINESS MODEL

VanArsdel, Ltd.

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VanArsdel, Ltd.

# MARKET OPPORTUNITY

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# \$12,345

## Section 1 Title

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# \$6,789

## Section 2 Title

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**VanArsdel, Ltd.**

**\$25**  
*Billion*

**\$50**  
*Billion*

**\$100**  
*Billion*

**Section 1  
Title**

**Section 2  
Title**

**Section 3  
Title**

# MARKET OPPORTUNITY PART 2

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# COMPETITION

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## Section 1 Title

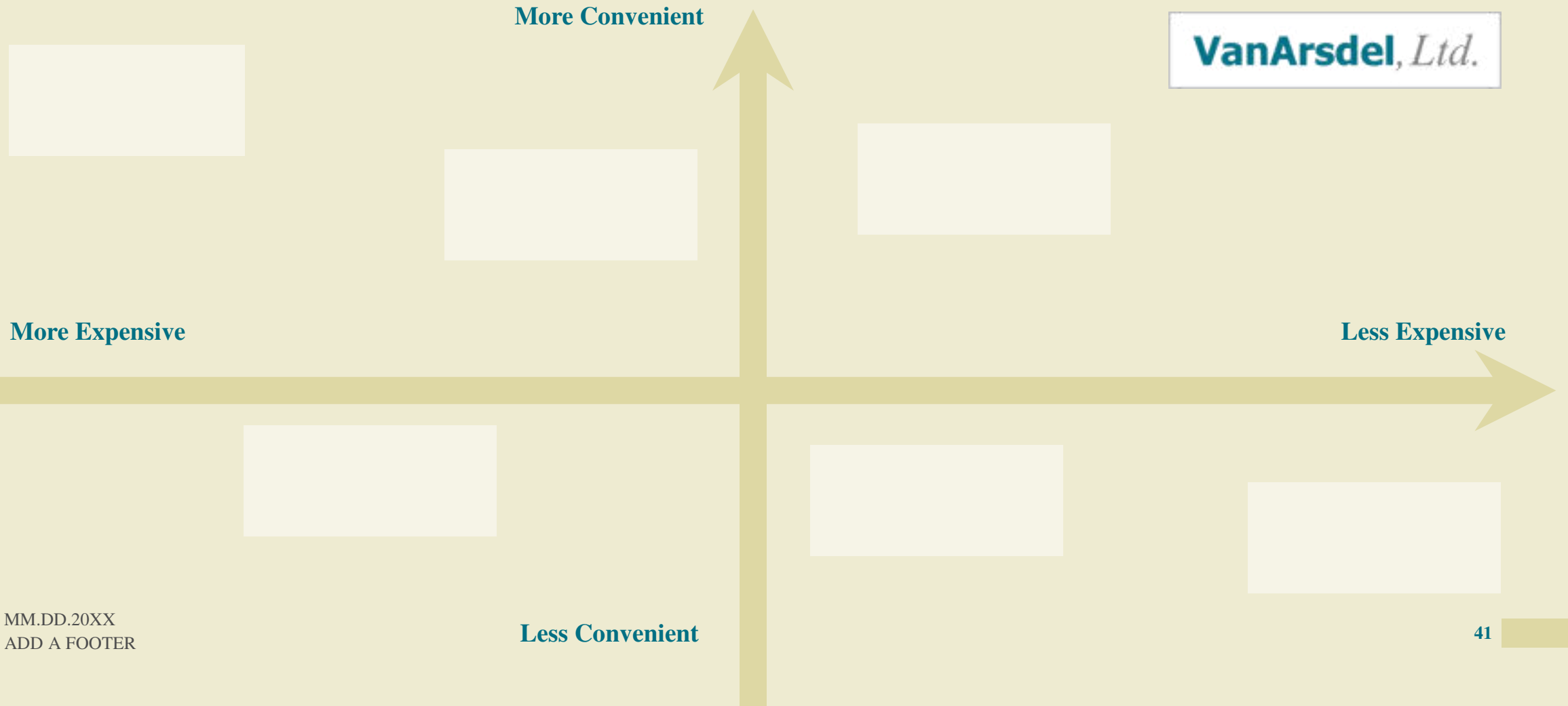
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**VanArsdel, Ltd.**

# COMPETITION PART 2



# GROWTH STRATEGY

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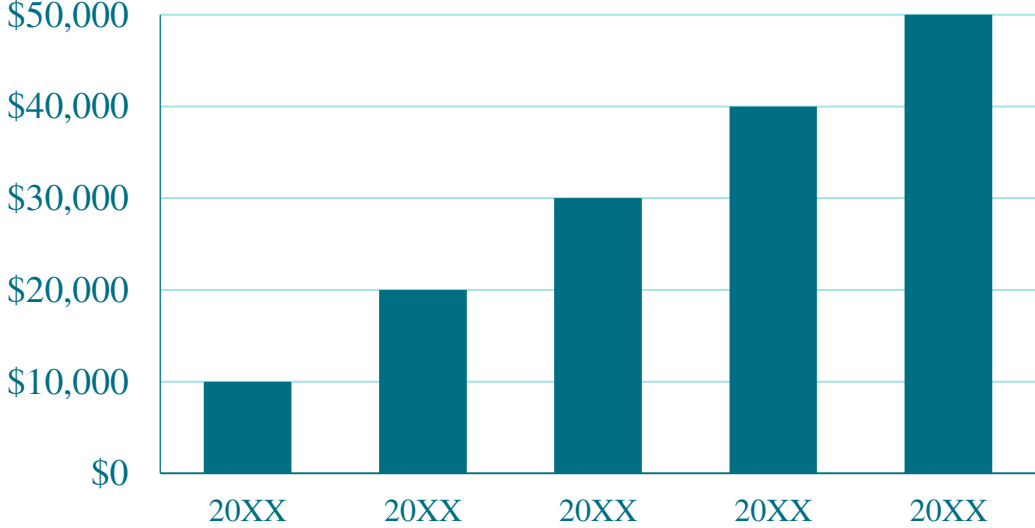
# TRACTION

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## Key Metrics

	Clients	Orders	Gross Revenue	Net Revenue
20XX	10	1100	\$10,000	\$7,000
20XX	20	200	\$20,000	\$16,000
20XX	30	300	\$30,000	\$25,000
20XX	40	400	\$40,000	\$30,000
20XX	50	500	\$50,000	\$40,000

## Revenue by Year



# TIMELINE

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20XX

Month

## Point 1 Title

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20XX

Month

## Point 2 Title

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20XX

Month

## Point 3 Title

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20XX

Month

## Point 4 Title

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20XX

Month

## Point 5 Title

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VanArsdel, Ltd.

# FINANCIALS

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	20XX	20XX	20XX	
<b>Users</b>	50,000	400,000	1,600,000	
<b>Jobs</b>	500,000	4,000,000	16,000,000	
<b>Average price per job</b>	75	80	90	
<b>COMPANY REVENUE @15%</b>	5,625,000	48,000,000	216,000,000	
<b>- Cost of Revenue</b>	0	0	0	
<b>Gross Profit</b>	5,625,000	48,000,000	216,000,000	
<b>OPEX</b>				
<b>- Sales &amp; Marketing</b>	5,062,500	38,400,000	151,200,000	70%
<b>- Customer Service</b>	1,687,500	9,600,000	21,600,000	10%
<b>- Product Development</b>	562,500	2,400,000	10,800,000	5%
<b>- Misc.</b>	281,250	2,400,000	4,320,000	2%
<b>TOTAL OPEX</b>	7,596,750	52,800,000	187,920,000	
<b>EBIT</b>	<b>-1,968,750</b>	<b>-4,800,000</b>	<b>28,080,000</b>	13%

**VanArsdel, Ltd.**

# OUR TEAM

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Maecenas porttitor*



## **Person 1 Title**

*Team Member Title*

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## **Person 2 Title**

*Team Member Title*

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## **Person 3 Title**

*Team Member Title*

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# OUR TEAM SLIDE

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**Person 1 Name**

*Team Member Title*



**Person 2 Name**

*Team Member Title*



**Person 3 Name**

*Team Member Title*



**Person 4 Name**

*Team Member Title*



**Person 5 Name**

*Team Member Title*



**Person 6 Name**

*Team Member Title*

# FUNDING

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**\$1,500,000**  
Category Description



**\$1,500,000**  
Category Description



**\$1,500,000**  
Category Description



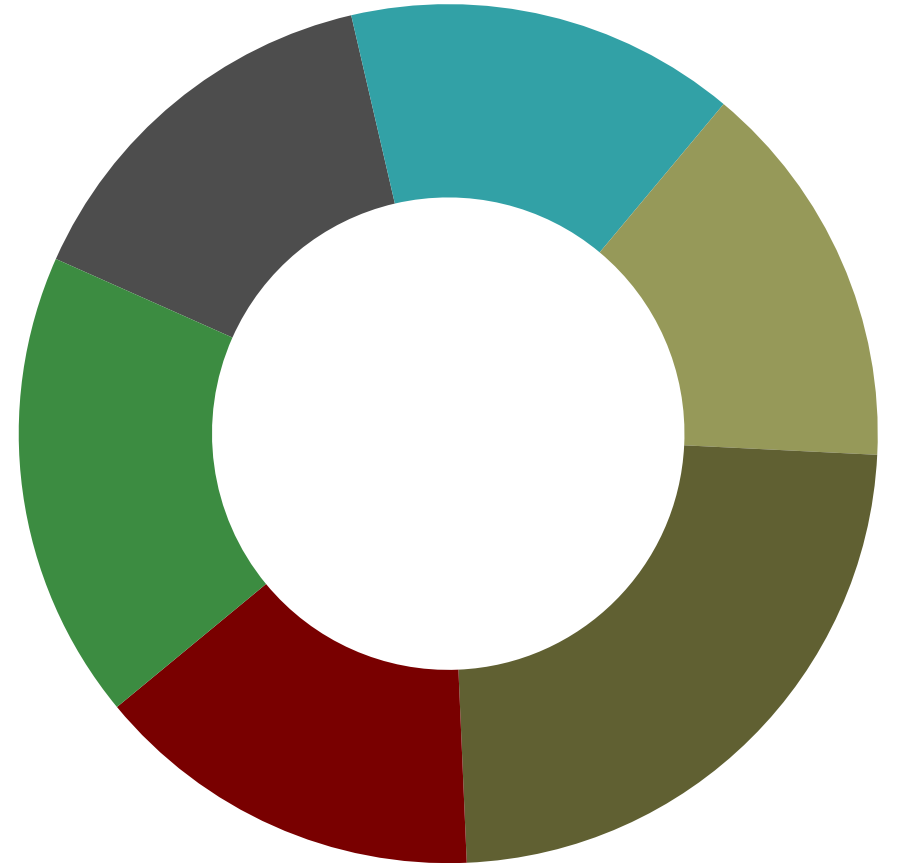
**\$2,500,000**  
Category Description



**\$1,500,000**  
Category Description



**\$1,500,000**  
Category Description





# SUMMARY

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*VanArsdel, Ltd.*

**THANK  
YOU!**

**August Bergqvist**

*Phone:*

**+11 216 555-0011**

*Email:*

**bergqvist@vanarsdelltd.com**

*Website:*

**www.vanarsdelltd.com**



# APPENDIX



# TESTIMONIALS

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**Person 1 Name**

*Customer Member Title*



**Person 2 Name**

*Customer Member Title*



**Person 3 Name**

*Customer Member Title*



## CASE STUDY

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# MOBILE VERSION

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# Customize this Template

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## Template Editing Instructions and Feedback



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# E-Commerce



---

E-commerce refers to the sale of goods or products through online Stores.

Online stores are not just about selling products. Many work on more sophisticated functions such as flight or hotel Booking systems, comparison sites, online brokers or affiliate marketing schemes.

It's a big area but still many companies operate in sectors where this model of business isn't always appropriate so looking more widely at the internet and emerging technology is important in presenting a presentation that is of use to each and every person accessing it,

---

## e-commerce (Contd. ...)

---

Electronic Commerce (EC, E-Commerce) is a process of buying, selling, transferring, or exchanging products, services, and/or information via electronic networks and computers

A possible response is to introduce a variety of e-commerce initiatives that can improve:

- supply chain operation
- information
- money from raw materials through fa
- increase customer service
- open up markets to more customers



## e-commerce (Contd. ...)

---

E-commerce defined from the following perspectives:

**Communications:** delivery of goods, services, information, or payments over computer networks or any other electronic means

**Commercial (trading):** provides capability of buying and selling products, services, and information on the Internet and via other online services

**Business process:** doing business electronically by completing business processes over electronic networks, thereby substituting information for physical business processes

**Service:** a tool that addresses the desire of governments, firms, consumers, and management to cut service costs while improving the quality of customer service and increasing the speed of service delivery

---

## e-commerce (Contd...)

---

Learning: an enabler of online training and education in schools, universities, and other organizations, including businesses

Collaborative: the framework for inter- and intra-organizational collaboration

Community: provides a gathering place for community members to *learn*, transact, and collaborate

---



# e-business:

---

e-business.' a broader definition of EC, which includes:

- buying and selling of goods and services servicing customers
- collaborating with business partners
- conducting electronic transactions within an organiza... .



# The EC Framework, Classification, and Content:

---

Two major types of e-commerce.

- *business-to-consumer (B2C)* : online transactions are made between businesses and individual consumers
  - 2. *business-to-business (B2B)*: businesses make online transactions with other businesses
    - » intrabusiness EC: EC conducted inside an organization (e.g., *business-to-employees B2E*)
-

## The EC Framework, Classification and Content.

---

Computer environments:

1. Internet: global networked environment

2. Intranet: a corporate or government network that uses Internet tools, such as Web browsers, and Internet protocols

3. Extranet: a network that uses the Internet to link multiple intranets

---

# EC Framework:

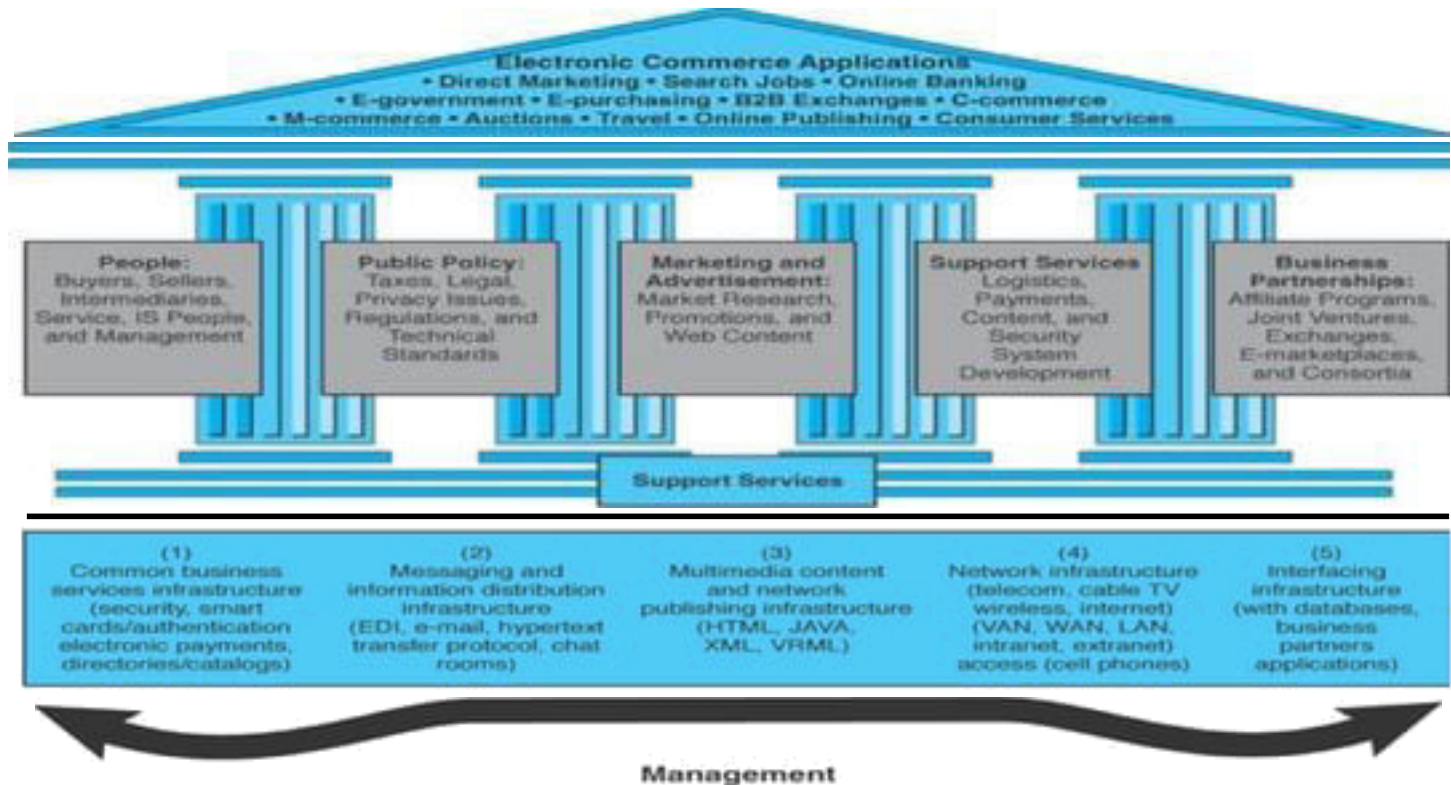
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EC applications are supported by infrastructure and by five support areas:

- People
  - Public policy
  - Marketing and advertising  
Support services
  - \* Business partnerships
-

# EC Framework (contd...):

---



## Classification of EC by Transactions or Interactions:

---

1. *business-to-consumer (B2C)*. online transactions are made between businesses and individual consumers.

2. *business-to-business (B2B)*. businesses make online transactions with other businesses.

3. *e tailing*. online retailing, usually B2C

4. *business-to-business-to-consumer (B2B2C)*: B-Commerce model in which a business provides some product or service to a client business that maintains its own customers.

5. *consumer-to-business (C2B)*.

e-commerce model in which individuals use the Internet to sell products or services to organizations or individuals seek sellers to bid on products or services they need.

---

## Classification of EC by Transactions or Interactions (contd...)

---

### 6. *consumer-to-consumer (C2C)*.

e-commerce model in which CONSUMERS sell directly to other consumers.

7. *peer-to-peer (P2P)*. technology that enables networked peer computers to share data and processing with each other directly: can be used in C2C, B2B, and B2C e-commerce.

### 8. *mobile commerce (m-commerce)*.

e-commerce transactions and activities CONDUCTED in a wireless environment.

9. *location-based commerce (l-commerce)*. m-commerce transactions targeted to individuals in specific locations, at specific times.

---

## Classification of EC by Transactions or Interactions (contd...)

---

### 6. *consumer-to-consumer (C2C)*.

e-commerce model in which CONSUMERS sell directly to other consumers.

7. *peer-to-peer (P2P)*. technology that enables networked peer computers to share data and processing with each other directly: can be used in C2C, B2B, and B2C e-commerce.

### 8. *mobile commerce (m-commerce)*.

e-commerce transactions and activities CONDUCTED in a wireless environment.

9. *location-based commerce (l-commerce)*. m-commerce transactions targeted to individuals in specific locations, at specific times.

---



## Classification of EC by Transactions or Interactions (contd...)

---

f0. *Intra-business EC.* e-commerce category that includes all internal organizational activities that involve the exchange of goods, services or information among various units and individuals in an organization.

11. *business-to-employees (B2E).* e-commerce model in which an organization delivers services, information, or products to its individual employees.

2. *collaborative commerce (c-commerce).* e-commerce model in which individuals or groups communicate or collaborate online.

13. *e-learning.* the online delivery of information for purposes of training or education.

#. *exchange (e/electron'cj.* a public electronic market with many buyers and sellers.

---

## Classification of EC by Transactions or Interactions (contd...)

---

5. *exchange-to-exchange (E2E)*. e-commerce model in which electronic exchanges formally connect to one another the purpose of exchanging information.

6. e-government. e-commerce model in which a government entity buys or provides goods, services, or information to business •ssas or individual citizens.



# The Interdisciplinary Nature of EC:

---

Major EC disciplines:

- Computer science
  - Marketing
  - Consumer behavior
  - Finance
  - Economics
  - Management information systems
-

# social bookmarking

---

These sites allow individual users to store, tag and share links across the internet. Users can share their links both with friends and people with similar interests.

They can access links from any computer they happen to be using.

All of these sites are free to use but do require you to register. Once registered you can begin bookmarking.

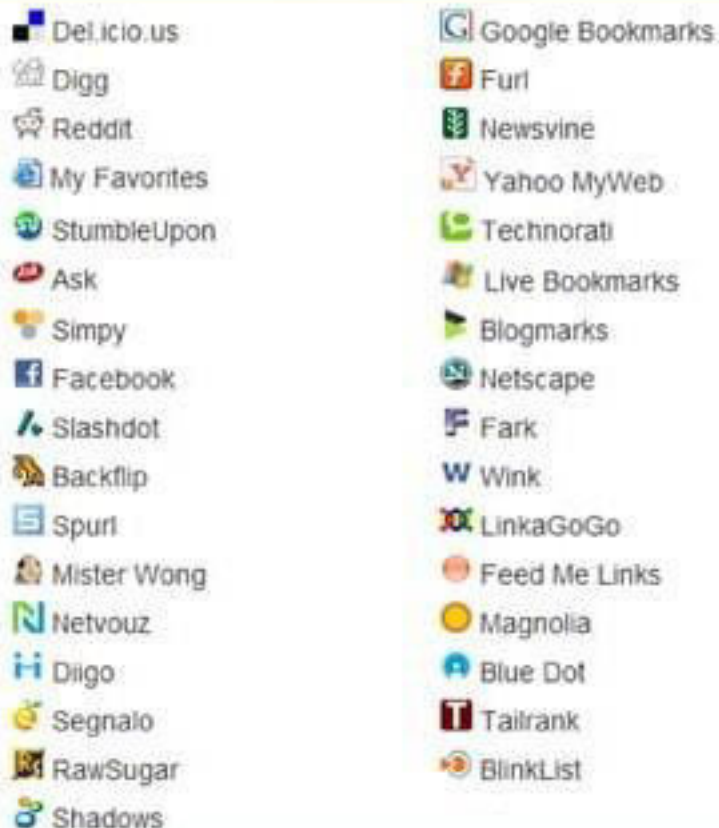
Each of the sites works slightly differently but all perform pretty much the same function. The more tags a website gets the more it may be found by like-minded users in the future. As such achieving social tags may be important in getting future rankings for a site.

The next slide shows the various social bookmarking logos you will see.

---

# social bookmarking logos

---



## Structure of Business Models

---

1. Revenue *flow*: description of how the company derives an EC project will.

- earn revenue

  - Sales

    - Transaction fees

    - Subscription fees

    - Advertising

    - Affiliate links

    - Other revenue sources

2. Value proposition: The benefits a company can derive from using EC

- search and transaction cost efficiency  
complementarities

- network  
aggregation and inter-firm collaboration

# Business Models in EC:

---

1. Online direct marketing
  2. Electronic rendering systems:
  3. *tendering (reverse auction)*. model in which a buyer requests would-be sellers to submit bids, and the lowest bidder wins.
  4. Name your own price: a model in which a buyer sets the price he or she is willing to pay and invites sellers to supply the good or service at that price.
  5. Affiliate marketing. an arrangement whereby a marketing partner (a business, an organization, or even an individual) refers consumers to the selling company's Web site.
  6. *Viral marketing*: word-of-mouth marketing in which customers promote a product or service to friends or other people.
-

## Business Models in EC (contd..) .

---

7. Group purchasing: quantity purchasing that Enables groups of purchasers to Obtain a discount price on the products purchased.
  8. *SMEs.*' small to medium enterprises.
  9. Online auctions:
  10. Product and service customization: creation of a product or service according to the buyer's specifications.
  11. Electronic marketplaces and exchanges:
  12. Value-chain integrators
  13. Value-chain service providers
-



## Business Models in EC (contd...)

---

14. Information brokers

15. Battering

16. Deep discounting

17. Membership

18. Supply chain improvers

19. Business models can be independent or they can be combined amongst themselves or with traditional business models.

---

# Benefits of EC:

---

## » Benefits to organizations:

- ' Global reach
  - Cost reduction
  - Supply chain improvements
  - Extended hours: 24x7x365
  - Customization
  - New business models
  - Vendors' specialization
  - Ubiquity
  - More products and services
  - Cheaper products and services
  - Instant delivery
  - Information availability
  - Rapid time-to-market
  - Lower communication costs
  - Efficient procurement
  - improved customer relations
  - Up-to-date company material
  - No city business permits and fees
  - Other benefits
  - Participatipn in auctions
  - Electronic communities
  - 'Get ii your way"
  - No sales tax
-

# The benefits of electronic commerce

<b>Product promotion</b>	Through a direct, information-rich and interactive contact with customers, EC enhances the promotion of products. Electronic medium also allows interactivity and customization for advertising content, based on the customer profile or need. EC thus offers an opportunity for low promotion strategies, enhancing the branding of products.
<b>Cost saving</b>	By using a public shared infrastructure such as the Internet and digitally transmitting and reusing information, EC systems lower the most of delivery information to customers. Including personnel, phone, postage, and prime costs.
<b>Timely information</b>	Due to its instantaneous nature, EC systems allow a reduction of the cycle time required to produce and deliver information and services.
<b>Shortened remittance time</b>	With electronic funds transfer (EFT), customers send their remittances electronically to the company's bank. This arrangement eliminates the time delay associated with the remittance in the medium system.
<b>Information consistency</b>	EC ensures the consistency and accuracy of information through sharing of information and use of electronic forms for doing business.
<b>Better customer service</b>	the ability to provide on-line answers to problems through resolution guides. 24 hours a day, 365 days a year, builds customer confidence and retention.
<b>Better customer relationship</b>	EC enables the learning about customers due to its ability to record every event in which a customer searches for information about a product, business, requests services, etc. Through these interactions, the needs of the customer are identified and will feed future marketing efforts.
<b>Customization of products</b>	The information-based nature of the EC provides a way for new products to be created and existing products to be customized based on customer's exact needs.
<b>Competitive advantages</b>	EC enables the company to achieve repetitive advantage of most saving based on reduced advertising/promotion costs: product differentiation by customized logo products and timely response to market; customer focus through better customer relations; and business expansion.
<b>Global reach</b>	There is no limit on time and location to conduct business with related parties. The information delivered to manufacturers, suppliers and warehouses is almost real time.

# Limitations of EC:

---

## 1. Limitations of E-commerce

### Technological Limitations

1. There is a lack of universally accepted standards for quality, security, and reliability.
2. The telecommunications bandwidth is insufficient, especially for m-commerce.
3. Software development tools are still evolving.
4. There are difficulties in integrating the Internet and EC software with some existing (especially legacy) applications and databases.
5. Special Web servers are needed in addition to the
6. Internet access reliability is still expensive and/or inconvenient.
7. Quality of service of target servers is not always auto-available.

### Non-Technological Limitations

1. Trust and privacy concerns deter customers from buying.
  2. Lack of trust in EC and in unknown sellers hinders buying.
  3. Many legal and public policy issues, including taxation, are as yet unresolved.
  4. National and international government regulations sometimes get in the way.
  5. It is difficult to measure some benefits of EC, such as advertising. There is a lack of mature measurement methodology.
  6. Some customers like to feel and touch products. Also, customers are resistant to the shift from a real to a virtual store.
  7. People do not yet sufficiently trust paperless, faceless transactions.
  8. In most cases, there is an insufficient number of critical mass of buyers and sellers which are needed for profitable marketplace.
  9. There is an increasing amount of fraud on the Internet.
  10. It is difficult to return merchandise due to the dot-com diarrhea of many dot-coms).
-

# Barriers of EC:

---

- Security
  - Trust and risk
  - Lack of qualified personnel
  - Lack of business models
  - Culture
  - User authentication and lack of public key infrastructure
  - Organization
  - Fraud
  - Slow navigation on the Internet
  - Legal issues
-

## The Digital Revolution:

---

*Digital economy*: An economy that is based on digital technologies, including digital communication networks, computers, software, and other related information technologies; also called the *Internet economy*, the *new economy* or the *Web economy*.

» A global platform over which people and organizations interact, communicate, collaborate, and search for information.

Includes the following characteristics!

- A vast array of digitizable products
    - Consumers and firms conducting financial transactions digitally
    - Microprocessors and networking capabilities embedded in physical goods
-

HOME CONTACTS SEARCH

USERNAME: USERNAME

PASSWORD: PASSWORD

TOTAL: 111500

TOTAL: 111500,00 [VIEW CART](#)

HOME HOME ABOUT US SHOP SERVICES CONTACTS PROMOTION SUPPORT SOLUTIONS TIONS

# MY COMPANY NAME

Your Catchy Slogan Here



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**\$ 546,90**

[BUY](#) [DETAILS](#)



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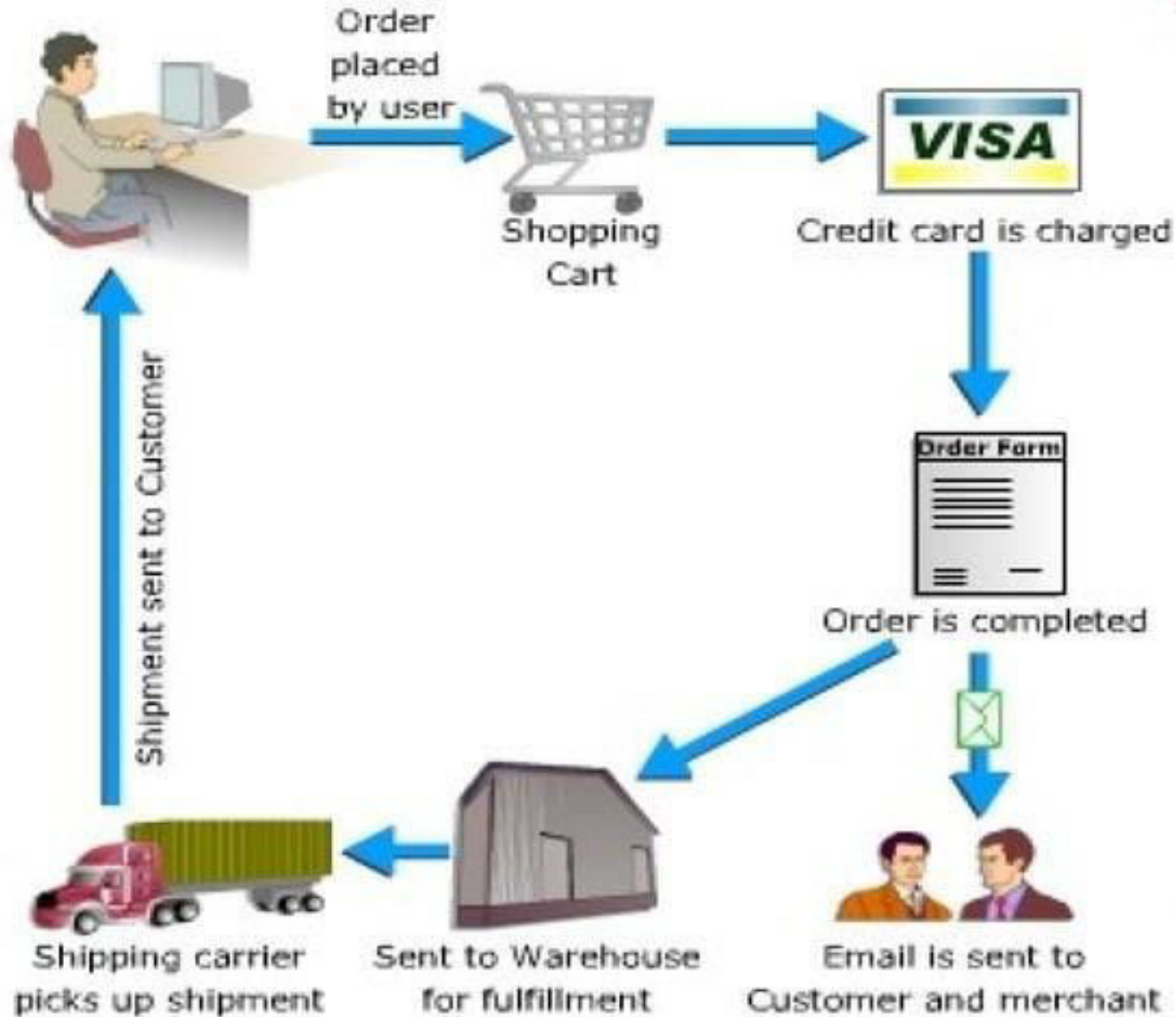
[BUY](#) [DETAILS](#)

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[DETAILS](#)







Company




- Order processing
- Shipping
- Value-added services:
  - Insertions
  - Labeling
  - Kitting and assembly
  - Packaging
- Return processing
- Call center



# **BUSINESS COMMUNICATION**

# Introduction

- Business communication is the sharing of information between people within and outside the organization that is performed for the commercial benefit of the organization. It can also be defined as relaying of information within a business by its people.
- It is closely related to the fields of



Communication is the lifeblood of an organization. If we could somehow remove communication from an organization, we would not have an organization.

It is needed for:

Exchanging information

- Exchanging opinions

Making plans and proposals

Reaching agreement

Executing decisions

- Sending and fulfilling orders
- Conducting sales

# TECHNOLOGY AND COMMUNICATION

Technology has altered modern life in many ways, especially in the workplace. The invention of computers, the miniaturization of electronics and the development of wireless communication have all altered the business world. Business communication, in particular, has seen some of the greatest advancements due to technological developments.

# I DEX

E—COMMERCE E—

MAIL

VIDEO ONFFRENCING

I,LUI AR PHONFS

# E-COMMERCE





# INTRODUCTIO

# N

E-commerce (electronic commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network primarily the internet. These business transactions occur either as business to business, business to consumer, consumer to consumer or consumer to business.

The term e-commerce and e-business are often used interchangeably. The term e-tail is also sometimes used in reference to transactional processes for online shopping.



# HISTORY

- The beginning of e-commerce can be traced to the 1960s when business started using electronic data interchange (EDI) to share business documents with other companies. In 1979 the American National Standards Institute developed ASCX i2 as a universal standard for businesses to share documents through electronic networks. After the no. of individual users sharing electronic documents with each other grew in the 1980s, in the 1990s the rise of eBay and Amazon revolutionized the e-commerce industry. Consumers can now purchase endless amounts of items online both from typical brick and mortar stores with e-commerce capabilities and one other.

# APPLICATIONS



# E-MAIL



# INTRODUCTION

- E-mail means messages distributed by electronic means from one computer user to another via a network. It is based on store and forward method. It is also very easy to send and receive mails and you can also save them on your computer or mobile phones.

Google

Gmail



Inbox (507)

Drafts

- ☆ Google
- ☆ Letsintern
- ☆ ICSI

Social Promotions

- New sign-in from Chrome on Windows - New sign... from Chrom... 06:51
- Advantages of being a Letsintern registered student - Hi Puneet Ch... 06:20
- Connect with us on FACEBOOK , TWITTER and LINKEDIN - ... 05:58

Internshala Admin (Stude

Password reset request for your Internshala account - Dear Puneet , You  
 User Registration Verification for LaughGuru - Welcome! You just signed

6 Apr

Indeed

Verify puneetchauhanplus@gmail.com is your email address before

6 Apr

Start a new one

ICSI

Info Capsule, April 6, 2017  
 if in yo... in... please i

6 Apr

ICM

Info Capsule, April 05, 2017 - To receive this it  
 lease

5 Apr





Gmail

1-1 of 1

COMPOSE

Primary Social Promotions 1 new

- Inbox
- Starred
- Sent Mail
- Drafts (1)
- Unwanted
- More

myindeed [Indeed co in] Reminder to confirm your email - indeed Confirm your email 18:15

0.99 GB (6%) of 15 GB used  
Manage

Puneet +

New Message

To Cc Bcc

Subject

Send

Start

# ADVANTAGES



Saves stationary and encourages paperless office culture.

Save time in printing, copying and distributing messages.

Large amount of data can be stored.

- Reaches wide range of people.

Much easier to use.

Useful and effective.



# DISADVANTAGES



Lack of personal touch

May carry viruses

Spamming

E-Mail Spoofing

E-Mail Worm

E-Mail Bankruptcy

# VIDEO CONFERENCING



# INTRODUCTION

A video conference is a live, visual connection between two or more people residing in separate locations for the purpose of communication. At its simplest, video conferencing provides transmission of static images and text between two locations. At its most sophisticated, it provides transmission of full-motion video images and high-quality audio between multiple locations.

# ADVANTAGES



- It avoids the participants having to spend time travelling to
- meet each other.
- Saves travel costs.
  - The participants in different locations are able to work on the same electronic document.
- - Seeing the person that you are communicating with can give important visual clues that are not available during a telephone conversation.
- It can be used to allow an expert to investigate a problem without making a site visit, for example an engineer could view components that have failed so that the correct replacement parts can be supplied

# DISADVANTAGES



A high bandwidth communication link is required to transmit and receive high quality images.

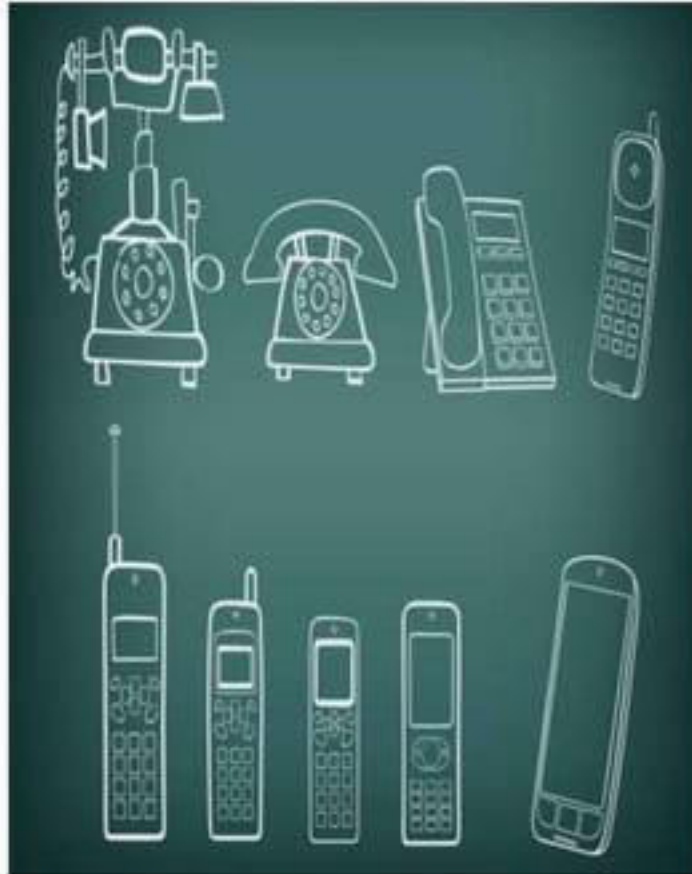
- There is a short time lag between speaking and receiving a response that can disrupt the natural flow of a conversation.

High quality dedicated video-conferencing systems are expensive to buy

# APPLICATIONS



# CELLULAR PHONES





# INTRODUCTION

- A cellular phone is a telecommunication device that uses radio waves over a networked area (cells) and is served through a cell site or base station at a fixed location, enabling calls to transmit wirelessly over a wide range, to a fixed landline or via the Internet.
- In this networked system, the cellular phone is identified as a mobile system consisting of the equipment and SIM card that actually assigns the mobile telephone number. A cellular phone is also known as a cellphone or mobile phone.



# ADVANTAGES



Free Long Distance

Ability to Keep Your Area Code When  
You Move

Added Convenience

No Need for a Landline Telephone

# DISADVANTAGES



Added COSTS

- Decrease in Privacy

Less Reliable than a Landline Telephone

Higher Possibility of Accidents



**THANK YOU**

# **BUSINESS ANALYTICS**

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# Data Warehouse

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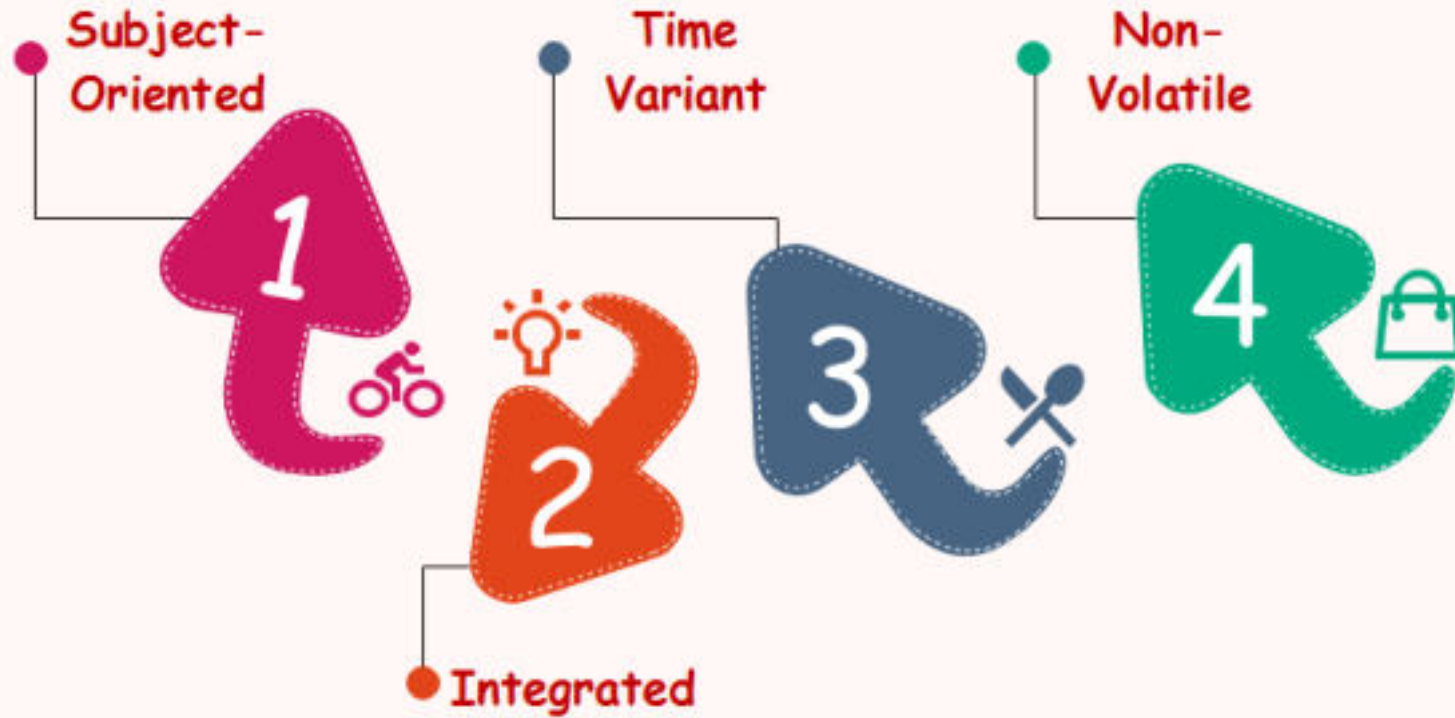
- A Data Warehouse (DW) is a relational database that is designed for query and analysis rather than transaction processing. It includes historical data derived from transaction data from single and multiple sources.
- A Data Warehouse provides integrated, enterprise-wide, historical data and focuses on providing support for decision-makers for data modeling and analysis.
- A Data Warehouse is a group of data specific to the entire organization, not only to a particular group of users.
- It is not used for daily operations and transaction processing but used for making decisions.

A Data Warehouse can be viewed as a data system with the following attributes:

- It is a database designed for investigative tasks, using data from various applications.
- It supports a relatively small number of clients with relatively long interactions.
- It includes current and historical data to provide a historical perspective of information.
- Its usage is read-intensive.
- It contains a few large tables.

# Characteristics of Data Warehouse

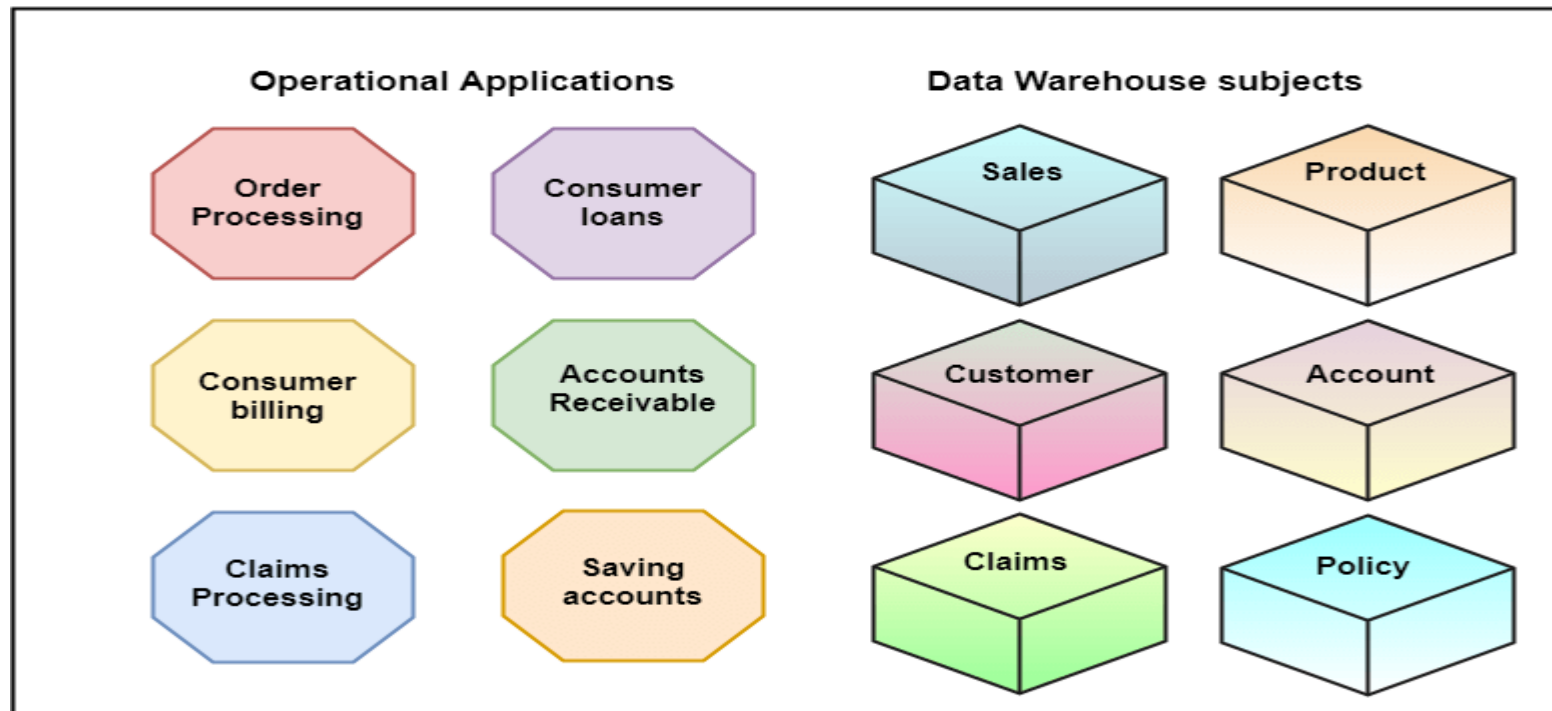
The key features of Data Warehouse are:



## Subject-Oriented

A data warehouse target on the modeling and analysis of data for decision-makers. Therefore, data warehouses typically provide a concise and straightforward view around a particular subject, such as customer, product, or sales, instead of the global organization's ongoing operations. This is done by excluding data that are not useful concerning the subject and including all data needed by the users to understand the subject.

### Data Warehouse is Subject-Oriented

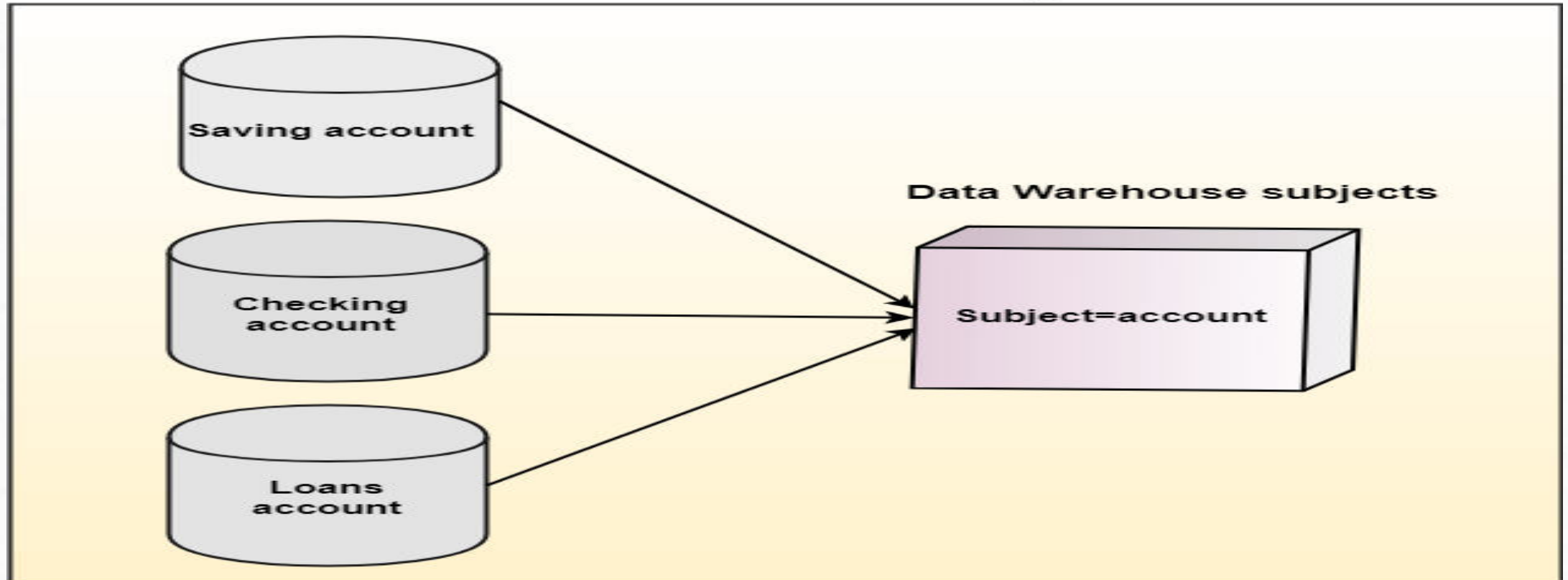




## Integrated

A data warehouse integrates various heterogeneous data sources like RDBMS, flat files, and online transaction records. It requires performing data cleaning and integration during data warehousing to ensure consistency in naming conventions, attributes types, etc., among different data sources.

### Data Warehouse is Integrated



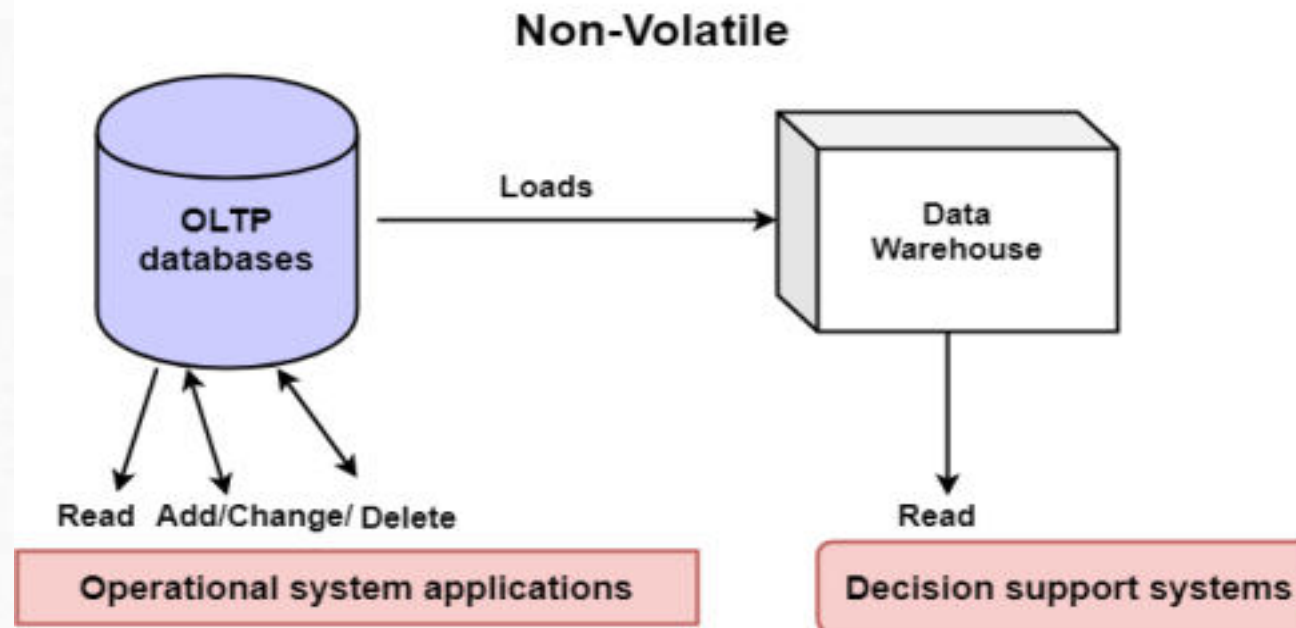
## Time-Variant

Historical information is kept in a data warehouse. For example, one can retrieve files from 3 months, 6 months, 12 months, or even previous data from a data warehouse. These variations with a transactions system, where often only the most current file is kept.



## Non-Volatile

The data warehouse is a physically separate data storage, which is transformed from the source operational RDBMS. The operational updates of data do not occur in the data warehouse, i.e., update, insert, and delete operations are not performed. It usually requires only two procedures in data accessing: Initial loading of data and access to data. Therefore, the DW does not require transaction processing, recovery, and concurrency capabilities, which allows for substantial speedup of data retrieval. Non-Volatile defines that once entered into the warehouse, and data should not change.



## Types of Data Warehouses

The three main types of data warehouses are enterprise data warehouse (EDW), operational data store (ODS), and data mart.

### Enterprise Data Warehouse (EDW)

An enterprise data warehouse (EDW) is a centralized warehouse that provides decision support services across the enterprise. EDWs are usually a collection of databases that offer a unified approach for organizing data and classifying data according to subject.

### Operational Data Store (ODS)

An operational data store (ODS) is a central database used for operational reporting as a data source for the enterprise data warehouse described above. An ODS is a complementary element to an EDW and is used for operational reporting, controls, and decision making.

An ODS is refreshed in real-time, making it preferable for routine activities such as storing employee records. An EDW, on the other hand, is used for tactical and strategic decision support.

### Data Mart

A data mart is considered a subset of a data warehouse and is usually oriented to a specific team or business line, such as finance or sales. It is subject-oriented, making specific data available to a defined group of users more quickly, providing them with critical insights. The availability of specific data ensures that they do not need to waste time searching through an entire data warehouse.



## What is ETL?

ETL, which stands for extract, transform and load, is a data integration process that combines data from multiple data sources into a single, consistent data store that is loaded into a [data warehouse](#) or other target system.

As the databases grew in popularity in the 1970s, ETL was introduced as a process for integrating and loading data for computation and analysis, eventually becoming the primary method to process data for data warehousing projects.

ETL provides the foundation for data analytics and machine learning workstreams. Through a series of business rules, ETL cleanses and organizes data in a way which addresses specific business intelligence needs, like monthly reporting, but it can also tackle more advanced analytics, which can improve back-end processes or end user experiences. ETL is often used by an organization to:

- Extract data from legacy systems
- Cleanse the data to improve data quality and establish consistency
- Load data into a target database

## How ETL works

### Step 1: Extraction

Most businesses manage data from a variety of data sources and use a number of data analysis tools to produce business intelligence. To execute such a complex data strategy, the data must be able to travel freely between systems and apps.

Before data can be moved to a new destination, it must first be extracted from its source — such as a data warehouse or data lake. In this [first step of the ETL process](#), structured and unstructured data is imported and consolidated into a single repository. Volumes of data can be extracted from a wide range of data sources, including:

- Existing databases and legacy systems
- [Cloud](#), hybrid, and on-premises environments
- Sales and marketing applications
- Mobile devices and apps
- CRM systems
- Data storage platforms
- Data warehouses
- Analytics tools

Although it can be done manually with a team of data engineers, hand-coded data extraction can be time-intensive and prone to errors. **ETL tools** automate the extraction process and create a more efficient and reliable workflow.

## Step 2: Transformation

During this phase of the ETL process, rules and regulations can be applied that ensure data quality and accessibility. You can also apply rules to help your company meet reporting requirements. The process of **data transformation** is comprised of several sub-processes:

- **Cleansing** — inconsistencies and missing values in the data are resolved.
- **Standardization** — formatting rules are applied to the dataset.
- **Deduplication** — redundant data is excluded or discarded.
- **Verification** — unusable data is removed and anomalies are flagged.
- **Sorting** — data is organized according to type.
- **Other tasks** — any additional/optional rules can be applied to improve data quality.

Transformation is generally considered to be the most important part of the ETL process. Data transformation improves **data integrity** — removing duplicates and ensuring that raw data arrives at its new destination fully compatible and ready to use.

### Step 3: Loading

The final step in the ETL process is to load the newly transformed data into a new destination (data lake or data warehouse.) Data can be loaded all at once (full load) or at scheduled intervals (incremental load).

**Full loading** — In an ETL full loading scenario, everything that comes from the transformation assembly line goes into new, unique records in the [data warehouse](#) or data repository. Though there may be times this is useful for research purposes, full loading produces datasets that grow exponentially and can quickly become difficult to maintain.

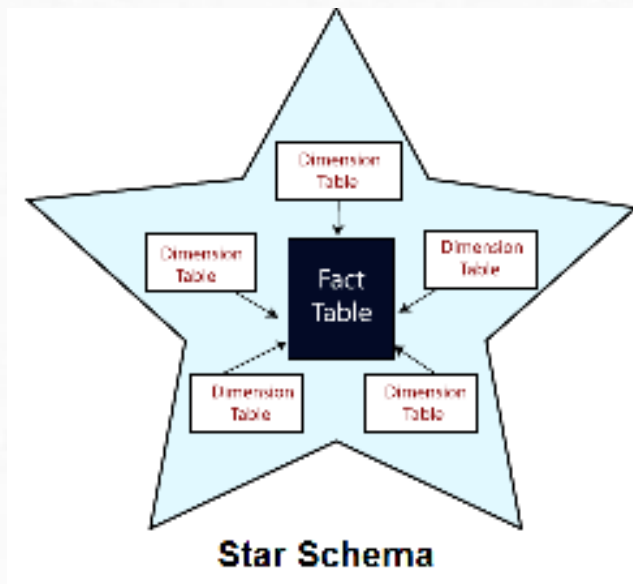
**Incremental loading** — A less comprehensive but more manageable approach is incremental loading. Incremental loading compares incoming data with what's already on hand, and only produces additional records if new and unique information is found. This architecture allows smaller, less expensive data warehouses to maintain and manage [business intelligence](#).



## What is Star Schema?

A star schema is the elementary form of a dimensional model, in which data are organized into **facts** and **dimensions**. A fact is an event that is counted or measured, such as a sale or log in. A dimension includes reference data about the fact, such as date, item, or customer.

A star schema is a relational schema where a relational schema whose design represents a multidimensional data model. The star schema is the explicit data warehouse schema. It is known as **star schema** because the entity-relationship diagram of this schemas simulates a star, with points, diverge from a central table. The center of the schema consists of a large fact table, and the points of the star are the dimension tables.



## Fact Tables

A table in a star schema which contains facts and connected to dimensions. A fact table has two types of columns: those that include fact and those that are foreign keys to the dimension table. The primary key of the fact tables is generally a composite key that is made up of all of its foreign keys. A fact table might involve either detail level fact or fact that have been aggregated (fact tables that include aggregated fact are often instead called summary tables). A fact table generally contains facts with the same level of aggregation.

## Dimension Tables

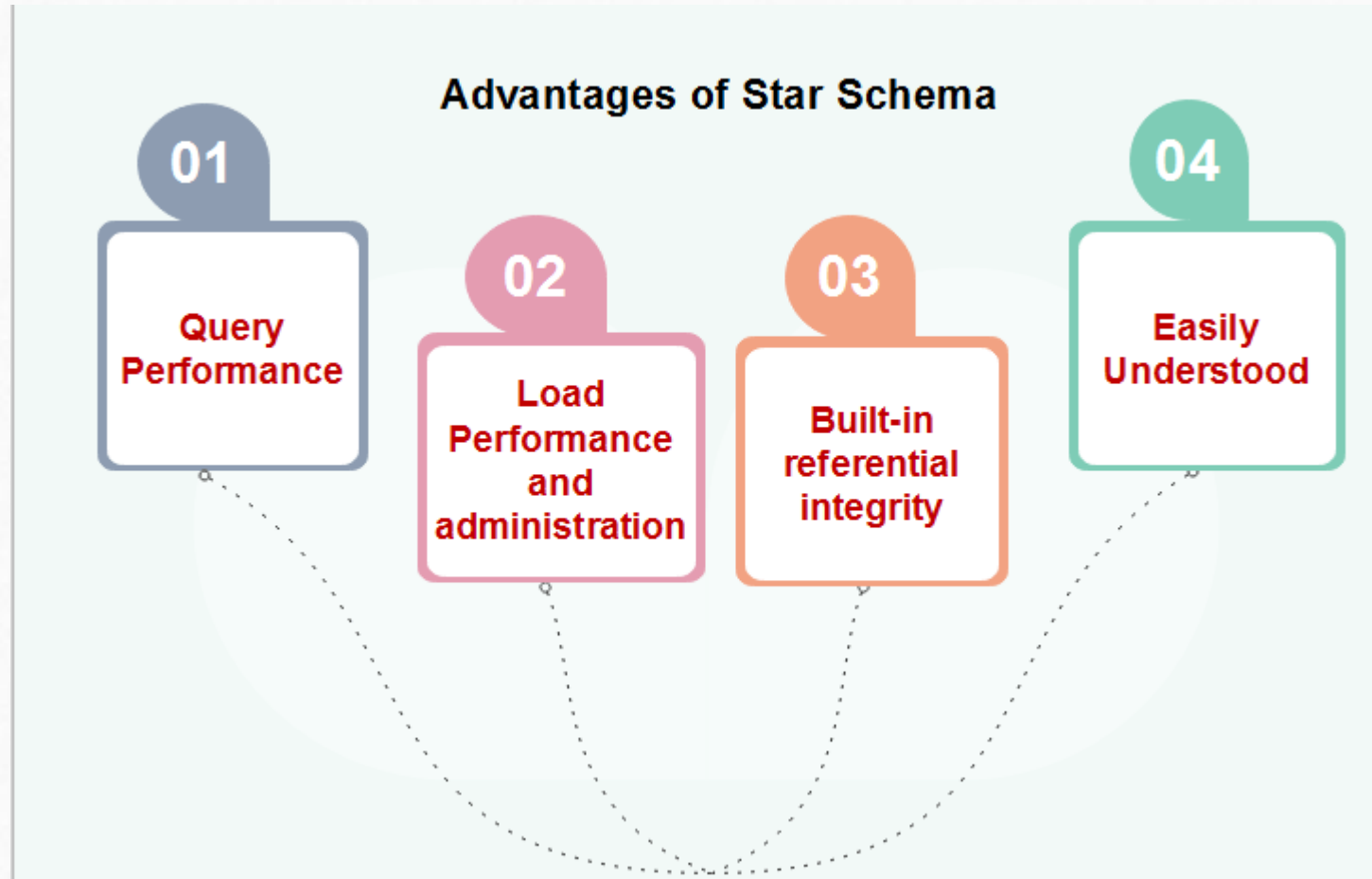
A dimension is an architecture usually composed of one or more hierarchies that categorize data. If a dimension has not got hierarchies and levels, it is called a **flat dimension** or **list**. The primary keys of each of the dimensions table are part of the composite primary keys of the fact table. Dimensional attributes help to define the dimensional value. They are generally descriptive, textual values. Dimensional tables are usually small in size than fact table. Fact tables store data about sales while dimension tables data about the geographic region (markets, cities), clients, products, times, channels.

## Characteristics of Star Schema

The star schema is intensely suitable for data warehouse database design because of the following features:

- It creates a DE-normalized database that can quickly provide query responses.
- It provides a flexible design that can be changed easily or added to throughout the development cycle, and as the database grows.
- It provides a parallel in design to how end-users typically think of and use the data.
- It reduces the complexity of metadata for both developers and end-users.

# Advantages of Star Schema



## Query Performance

A star schema database has a limited number of table and clear join paths, the query run faster than they do against OLTP systems. Small single-table queries, frequently of a dimension table, are almost instantaneous. Large join queries that contain multiple tables takes only seconds or minutes to run. In a star schema database design, the dimension is connected only through the central fact table. When the two-dimension table is used in a query, only one join path, intersecting the fact tables, exist between those two tables. This design feature enforces authentic and consistent query results.

## Load performance and administration

Structural simplicity also decreases the time required to load large batches of record into a star schema database. By describing facts and dimensions and separating them into the various table, the impact of a load structure is reduced. Dimension table can be populated once and occasionally refreshed. We can add new facts regularly and selectively by appending records to a fact table.



## **Built-in referential integrity**

A star schema has referential integrity built-in when information is loaded. Referential integrity is enforced because each data in dimensional tables has a unique primary key, and all keys in the fact table are legitimate foreign keys drawn from the dimension table. A record in the fact table which is not related correctly to a dimension cannot be given the correct key value to be retrieved.

## **Easily Understood**

A star schema is simple to understand and navigate, with dimensions joined only through the fact table. These joins are more significant to the end-user because they represent the fundamental relationship between parts of the underlying business. Customer can also browse dimension table attributes before constructing a query.

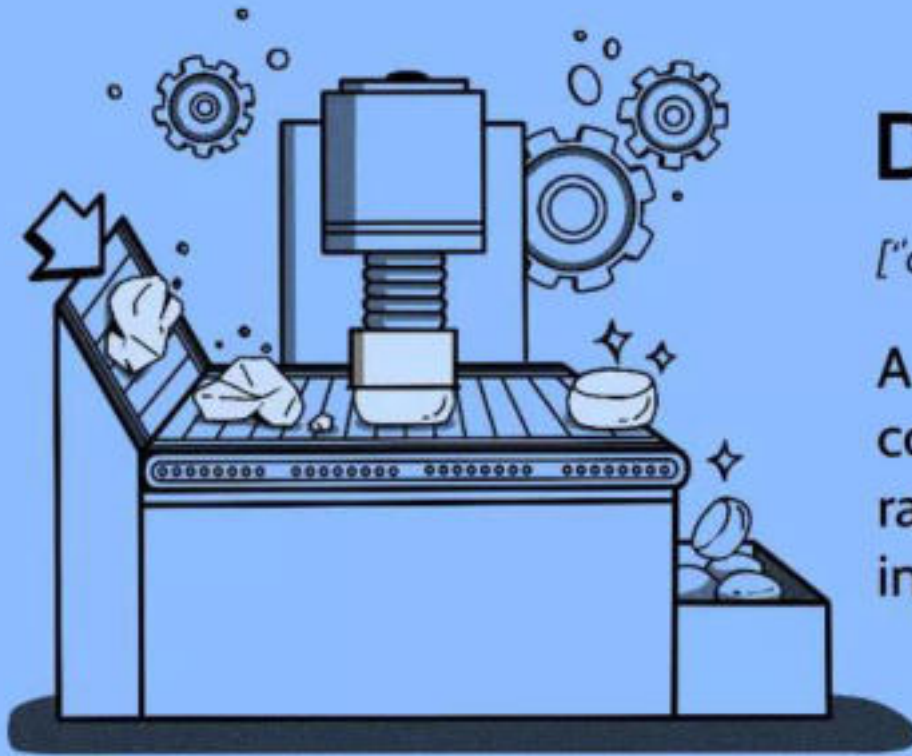
## What Is Data Mining?

Data mining is the process of searching and analyzing a large batch of raw data in order to identify patterns and extract useful information.

Companies use data mining software to learn more about their customers. It can help them to develop more effective marketing strategies, increase sales, and decrease costs. Data mining relies on effective data collection, warehousing, and computer processing.

### KEY TAKEAWAYS

- Data mining is the process of analyzing a large batch of information to discern trends and patterns.
- Data mining can be used by corporations for everything from learning about what customers are interested in or want to buy to fraud detection and spam filtering.
- Data mining programs break down patterns and connections in data based on what information users request or provide.
- Social media companies use data mining techniques to commodify their users in order to generate profit.
- This use of data mining has come under criticism lately as users are often unaware of the data mining happening with their personal information, especially when it is used to influence preferences.



# Data Mining

*['dā-tə 'mī-niŋ]*

A process used by companies to turn raw data into useful information.



## How Data Mining Works

Data mining involves exploring and analyzing large blocks of information to glean meaningful patterns and trends. It is used in credit risk management, [fraud detection](#), and spam filtering. It also is a market research tool that helps reveal the sentiment or opinions of a given group of people. The data mining process breaks down into four steps:

- Data is collected and loaded into data warehouses on-site or on a cloud service.
- Business analysts, management teams, and information technology professionals access the data and determine how they want to organize it.
- Custom application software sorts and organizes the data.
- The end user presents the data in an easy-to-share format, such as a graph or table.

## Functionalities of Data Mining

### **Descriptive Data Mining:**

This category of data mining is concerned with finding patterns and relationships in the data that can provide insight into the underlying structure of the data. Descriptive data mining is often used to summarize or explore the data, and it can be used to answer questions such as: What are the most common patterns or relationships in the data? Are there any clusters or groups of data points that share common characteristics? What are the outliers in the data, and what do they represent?

**Some common techniques used in descriptive data mining include:**

### **Cluster analysis:**

This technique is used to identify groups of data points that share similar characteristics. Clustering can be used for segmentation, anomaly detection, and summarization.

### **Association rule mining:**

This technique is used to identify relationships between variables in the data. It can be used to discover co-occurring events or to identify patterns in transaction data.

### **Visualization:**

This technique is used to represent the data in a visual format that can help users to identify patterns or trends that may not be apparent in the raw data.

### **Predictive Data Mining:**

This category of data mining is concerned with developing models that can predict future behavior or outcomes based on historical data. Predictive data mining is often used for classification or regression tasks, and it can be used to answer questions such as: What is the likelihood that a customer will churn? What is the expected revenue for a new product launch? What is the probability of a loan defaulting?

Some common techniques used in predictive data mining include:

**Decision trees:** This technique is used to create a model that can predict the value of a target variable based on the values of several input variables. Decision trees are often used for classification tasks.

**Neural networks:** This technique is used to create a model that can learn to recognize patterns in the data. Neural networks are often used for image recognition, speech recognition, and natural language processing.

**Regression analysis:** This technique is used to create a model that can predict the value of a target variable based on the values of several input variables. Regression analysis is often used for prediction tasks.

### **Data Mining Functionality:**

**1. Class/Concept Descriptions:** Classes or definitions can be correlated with results. In simplified, descriptive and yet accurate ways, it can be helpful to define individual groups and concepts. These class or concept definitions are referred to as class/concept descriptions.

- Data Characterization:** This refers to the summary of general characteristics or features of the class that is under the study. For example. To study the characteristics of a software product whose sales increased by 15% two years ago, anyone can collect these type of data related to such products by running SQL queries.

- Data Discrimination:** It compares common features of class which is under study. The output of this process can be represented in many forms. Eg., bar charts, curves and pie charts.

**2. Mining Frequent Patterns, Associations, and Correlations:** Frequent patterns are nothing but things that are found to be most common in the data. There are different kinds of frequencies that can be observed in the dataset.

- Frequent item set:** This applies to a number of items that can be seen together regularly for eg: milk and sugar.

- Frequent Subsequence:** This refers to the pattern series that often occurs regularly such as purchasing a phone followed by a back cover.

- Frequent Substructure:** It refers to the different kinds of data structures such as trees and graphs that may be combined with the itemset or subsequence.

**Association Analysis:** The process involves uncovering the relationship between data and deciding the rules of the association. It is a way of discovering the relationship between various items. for example, it can be used to determine the sales of items that are frequently purchased together.

**Correlation Analysis:** Correlation is a mathematical technique that can show whether and how strongly the pairs of attributes are related to each other. For example, Highted people tend to have more weight.



## Data Mining Task Primitives

Data mining task primitives refer to the basic building blocks or components that are used to construct a data mining process. These primitives are used to represent the most common and fundamental tasks that are performed during the data mining process. The use of data mining task primitives can provide a modular and reusable approach, which can improve the performance, efficiency, and understandability of the data mining process.



### Task relevant data

- Database Name
- Database tables
- Relevant attributes
- Data grouping criteria



### Type of knowledge to be mined

- Classification
- Clustering
- Prediction
- Discrimination
- Correlation analysis



### Background knowledge

- Concept Hierarchy
- User beliefs about relationships in data



### Measures of patterns

- Simplicity
- Novelty
- Certainty
- Utility



### Visualization of patterns

- Visualization of discovered patterns
- Cubes
- Charts
- Tables
- Graphs

**1.The set of task relevant data to be mined:** It refers to the specific data that is relevant and necessary for a particular task or analysis being conducted using data mining techniques. This data may include specific attributes, variables, or characteristics that are relevant to the task at hand, such as customer demographics, sales data, or website usage statistics. The data selected for mining is typically a subset of the overall data available, as not all data may be necessary or relevant for the task. For **example**: Extracting the database name, database tables, and relevant required attributes from the dataset from the provided input database.

**2.Kind of knowledge to be mined:** It refers to the type of information or insights that are being sought through the use of data mining techniques. This describes the data mining tasks that must be carried out. It includes various tasks such as classification, clustering, discrimination, characterization, association, and evolution analysis. For **example**, It determines the task to be performed on the relevant data in order to mine useful information such as classification, clustering, prediction, discrimination, outlier detection, and correlation analysis.

**Background knowledge to be used in the discovery process:** It refers to any prior information or understanding that is used to guide the data mining process. This can include domain-specific knowledge, such as industry-specific terminology, trends, or best practices, as well as knowledge about the data itself. The use of background knowledge can help to improve the accuracy and relevance of the insights obtained from the data mining process. For **example**, The use of background knowledge such as concept hierarchies, and user beliefs about relationships in data in order to evaluate and perform more efficiently.

**Interestingness measures and thresholds for pattern evaluation:** It refers to the methods and criteria used to evaluate the quality and relevance of the patterns or insights discovered through data mining. Interestingness measures are used to quantify the degree to which a pattern is considered to be interesting or relevant based on certain criteria, such as its frequency, confidence, or lift. These measures are used to identify patterns that are meaningful or relevant to the task. Thresholds for pattern evaluation, on the other hand, are used to set a minimum level of interestingness that a pattern must meet in order to be considered for further analysis or action. For **example**: Evaluating the interestingness and interestingness measures such as utility, certainty, and novelty for the data and setting an appropriate threshold value for the pattern evaluation.



**Representation for visualizing the discovered pattern:** It refers to the methods used to represent the patterns or insights discovered through data mining in a way that is easy to understand and interpret. Visualization techniques such as charts, graphs, and maps are commonly used to represent the data and can help to highlight important trends, patterns, or relationships within the data. Visualizing the discovered pattern helps to make the insights obtained from the data mining process more accessible and understandable to a wider audience, including non-technical stakeholders. For **example** Presentation and visualization of discovered pattern data using various visualization techniques such as barplot, charts, graphs, tables, etc.

## Steps in Data Mining Process

### Data Cleaning

The first and foremost step in data mining is the cleaning of data. It holds importance as dirty data can confuse procedures and produce inaccurate results if used directly in mining. This step helps remove noisy or incomplete data from the data collection. Some methods can clean data themselves, but they are not robust. Data Cleaning carries out its work through the following steps:

**(i) Filling The Missing Data:** The missing data can be filled by various methods such as filling the missing data manually, using the measure of central tendency, median, ignoring the tuple, or filling in the most probable value.

**(ii) Remove The Noisy Data:** Random error is called noisy data. This noise can be removed by the method of binning.

- Binning methods are applied by sorting all the values to bins or buckets.
- Smoothing is executed by consulting the adjacent values.
- Binning is carried out by smoothing of bin, i.e., each bin is replaced by the mean of the bin.
- Smoothing by a median, a bin median replaces each bin value. Smoothing by bin boundaries, i.e., the bin's minimum and maximum values are bin boundaries, and the closest boundary value replaces each bin value.
- Then, identifying the outliers and solving inconsistencies.

## **2. Data Integration**

When multiple data sources are combined for analysis, such as databases, data cubes, or files, this process is called data integration. This enhances the accuracy and speed of the mining process. There are different naming conventions of variables for different databases, causing redundancies. These redundancies and inconsistencies can be removed by further data cleaning without affecting the reliability of the data. Data Integration is performed using migration Tools such as Oracle Data Service Integrator and Microsoft SQL.

## **3. Data Reduction**

This technique helps obtain only the relevant data for analysis from data collection. The volume of the representation is much smaller while maintaining integrity. Data Reduction is performed using Naive Bayes, Decision Trees, Neural networks, etc. Some strategies for the reduction of data are:

- Decreasing the number of attributes in the dataset(Dimensionality Reduction)
- Replacing the original data volume with more minor forms of data representation(Numerosity Reduction)
- The compressed representation of the original data(Data Compression).

#### **4. Data Transformation**

Data Transformation is a process that involves transforming the data into a form suitable for the mining process. Data is merged to make the mining process more structured and the patterns easier to understand. Data Transformation involves mapping of the data and a code generation process.

Strategies for data transformation are:

- Removal of noise from data using methods like clustering, regression techniques, etc. (Smoothing).
- Summary operations are applied to data(Aggregation).
- Scaling of data to come within a smaller range(Normalisation).
- Intervals replace raw values of numeric data. (Discretization)

#### **5. Data Mining**

Data Mining is the process of identifying intriguing patterns and extracting knowledge from an extensive database. Inventive patterns are applied to extract the data patterns. The data is represented in patterns, and models are structured by classification and clustering techniques

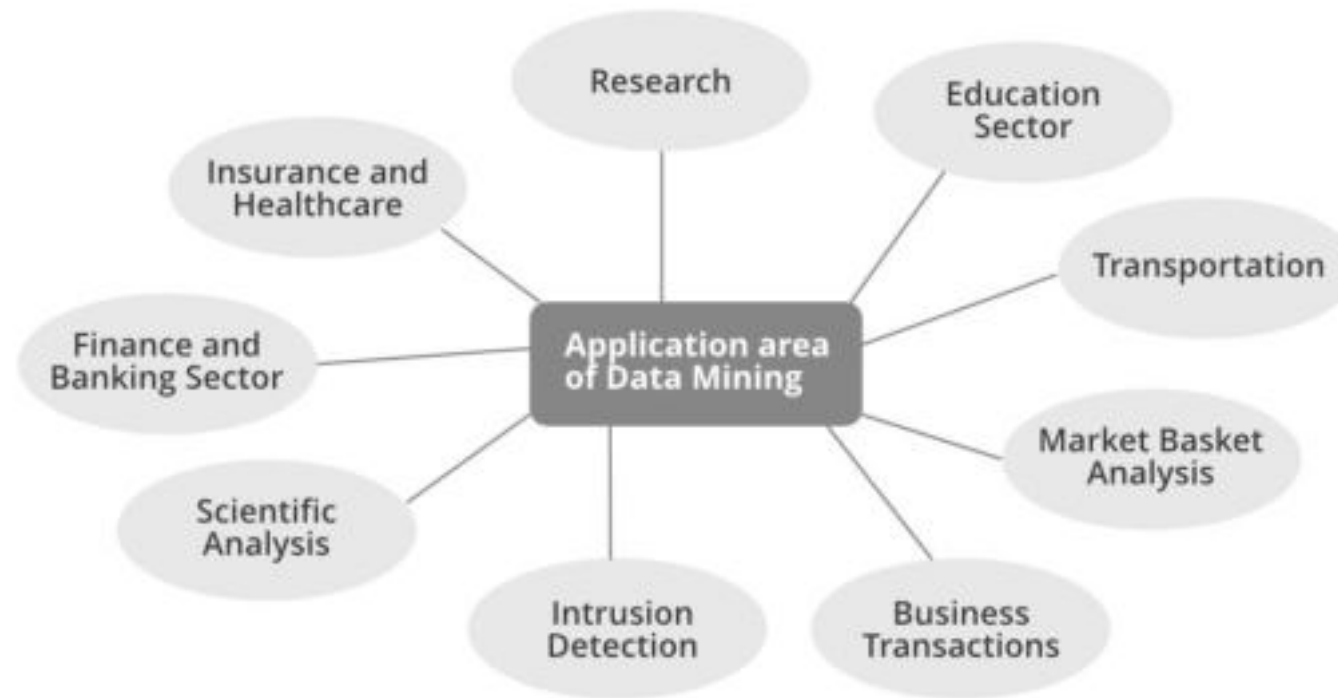
#### **6. Pattern Evaluation**

Pattern Evaluation is the process that involves identifying interesting patterns representing the knowledge based on some measures. Data summarization and visualisation methods make the data understandable to the user.

## 7. Knowledge Representation

Data visualisation and knowledge representation tools represent the mined data in this step. Data is visualised in the form of reports, tables, etc.

### Applications of Data Mining





**Scientific Analysis:** Scientific simulations are generating bulks of data every day. This includes data collected from nuclear laboratories, data about human psychology, etc. Data mining techniques are capable of the analysis of these data. Now we can capture and store more new data faster than we can analyze the old data already accumulated. Example of scientific analysis:

- Sequence analysis in bioinformatics
- Classification of astronomical objects
- Medical decision support.

**Intrusion Detection:** A network intrusion refers to any unauthorized activity on a digital network. Network intrusions often involve stealing valuable network resources. Data mining technique plays a vital role in searching intrusion detection, network attacks, and anomalies. These techniques help in selecting and refining useful and relevant information from large data sets. Data mining technique helps in classify relevant data for Intrusion Detection System. Intrusion Detection system generates alarms for the network traffic about the foreign invasions in the system. For example:

- Detect security violations
- Misuse Detection
- Anomaly Detection

**Business Transactions:** Every business industry is memorized for perpetuity. Such transactions are usually time-related and can be inter-business deals or intra-business operations. The effective and in-time use of the data in a reasonable time frame for competitive decision-making is definitely the most important problem to solve for businesses that struggle to survive in a highly competitive world. Data mining helps to analyze these business transactions and identify marketing approaches and decision-making. Example :

- Direct mail targeting
- Stock trading
- Customer segmentation
- Churn prediction (Churn prediction is one of the most popular Big Data use cases in business)

**Market Basket Analysis:**

Market Basket Analysis is a technique that gives the careful study of purchases done by a customer in a supermarket. This concept identifies the pattern of frequent purchase items by customers. This analysis can help to promote deals, offers, sale by the companies and data mining techniques helps to achieve this analysis task. Example:

- Data mining concepts are in use for Sales and marketing to provide better customer service, to improve cross-selling opportunities, to increase direct mail response rates.
- Customer Retention in the form of pattern identification and prediction of likely defections is possible by Data mining.
- Risk Assessment and Fraud area also use the data-mining concept for identifying inappropriate or unusual behavior etc.

### **Education:**

For analyzing the education sector, data mining uses Educational Data Mining (EDM) method. This method generates patterns that can be used both by learners and educators. By using data mining EDM we can perform some educational task:

- Predicting students admission in higher education
- Predicting students profiling
- Predicting student performance
- Teachers teaching performance
- Curriculum development
- Predicting student placement opportunities



**Research:** A data mining technique can perform predictions, classification, clustering, associations, and grouping of data with perfection in the research area. Rules generated by data mining are unique to find results. In most of the technical research in data mining, we create a training model and testing model. The training/testing model is a strategy to measure the precision of the proposed model. It is called Train/Test because we split the data set into two sets: a training data set and a testing data set. A training data set used to design the training model whereas testing data set is used in the testing model. Example:

- Classification of uncertain data.
- Information-based clustering.
- Decision support system
- Web Mining
- Domain-driven data mining
- IoT (Internet of Things)and Cybersecurity
- Smart farming IoT(Internet of Things)

### **Healthcare and Insurance:**

A Pharmaceutical sector can examine its new deals force activity and their outcomes to improve the focusing of high-value physicians and figure out which promoting activities will have the best effect in the following upcoming months, Whereas the Insurance sector, data mining can help to predict which customers will buy new policies, identify behavior patterns of risky customers and identify fraudulent behavior of customers.

- Claims analysis i.e which medical procedures are claimed together.
- Identify successful medical therapies for different illnesses.
- Characterizes patient behavior to predict office visits.

### **Transportation:**

A diversified transportation company with a large direct sales force can apply data mining to identify the best prospects for its services. A large consumer merchandise organization can apply information mining to improve its business cycle to retailers.

- Determine the distribution schedules among outlets.
- Analyze loading patterns.

## **Financial/Banking Sector:**

A credit card company can leverage its vast warehouse of customer transaction data to identify customers most likely to be interested in a new credit product.

- Credit card fraud detection.
- Identify 'Loyal' customers.
- Extraction of information related to customers.
- Determine credit card spending by customer groups

Thank you  
Best of luck

“Success isn’t overnight. It’s when every day you **get a little better than the day before.** It all adds up.”

# CORPORATE GOVERNANCE & BUSINESS ETHICS

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# CORPORATE GOVERNANCE

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- ✘ MEANING: Corporate governance is the system of rules, practices, and processes by which a firm is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community.
- ✘ Since corporate governance provides the framework for attaining a company's objectives, it encompasses practically every sphere of management, from action plans and internal controls to performance measurement and corporate disclosure.

# BENEFITS OF CORPORATE GOVERNANCE

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- ✘ Good corporate governance creates transparent rules and controls, provides guidance to leadership, and aligns the interests of shareholders, directors, management, and employees.
- ✘ It helps build trust with investors, the community, and public officials.
- ✘ Corporate governance can provide investors and stakeholders with a clear idea of a company's direction and business integrity.
- ✘ It promotes long-term financial viability, opportunity, and returns.

# CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

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- ✘ The board of directors is the primary direct stakeholder influencing corporate governance. Directors are elected by shareholders or appointed by other board members. They represent shareholders of the company.
- ✘ The board is tasked with making important decisions, such as corporate officer appointments, executive compensation, and dividend policy.
- ✘ In some instances, board obligations stretch beyond financial optimization, as when shareholder resolutions call for certain social or environmental concerns to be prioritized.



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- ✘ Boards are often made up of insiders and independent members. Insiders are major shareholders, founders, and executives. Independent directors do not share the ties that insiders have. They are chosen for their experience managing or directing other large companies. Independents are considered helpful for governance because they dilute the concentration of power and help align shareholder interests with those of the insiders.
  - ✘ The board of directors must ensure that the company's corporate governance policies incorporate corporate strategy, risk management, accountability, transparency, and ethical business practices.

# THE PRINCIPLES OF CORPORATE GOVERNANCE

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- ✘ While there can be as many principles as a company believes make sense, some of the more well-known include the following.

- ✘ **Fairness**

The board of directors must treat shareholders, employees, vendors, and communities fairly and with equal consideration.

- ✘ **Transparency**

The board should provide timely, accurate, and clear information about such things as financial performance, conflicts of interest, and risks to shareholders and other stakeholders.

## ✘ Risk Management

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The board and management must determine risks of all kinds and how best to control them. They must act on those recommendations to manage them. They must inform all relevant parties about the existence and status of risks.

## ✘ Responsibility

The board is responsible for the oversight of corporate matters and management activities. It must be aware of and support the successful, ongoing performance of the company. Part of its responsibility is to recruit and hire a CEO. It must act in the best interests of a company and its investors.



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## ✘ **Accountability**

The board must explain the purpose of a company's activities and the results of its conduct. It and company leadership are accountable for the assessment of a company's capacity, potential, and performance. It must communicate issues of importance to shareholders.

# CORPORATE GOVERNANCE MODEL

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- ✘ **The Anglo-American Model**
- ✘ This model can take various forms, such as the Shareholder Model, the Stewardship Model, and the Political Model. However, the Shareholder Model is the principal model.
- ✘ The Shareholder Model is designed so that the board of directors and shareholders are in control. Stakeholders such as vendors and employees, though acknowledged, lack control.
- ✘ Management is tasked with running the company in a way that maximizes shareholder interest..

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- ✘ The model accounts for the fact that shareholders provide the company with funds and may withdraw that support if dissatisfied. This can keep management working efficiently and effectively.
  - ✘ The board should consist of both insiders and independent members. Although traditionally, the board chairman and the CEO can be the same person, this model seeks to have two different people hold those roles.

## ✘ **The Continental Model**

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- ✘ Two groups represent the controlling authority under the Continental Model. They are the supervisory board and the management board.
- ✘ In this two-tiered system, the management board is comprised of company insiders, such as its executives. The supervisory board is made up of outsiders, such as shareholders and union representatives. Banks with stakes in a company also could have representatives on the supervisory board.



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- ✘ The two boards remain completely separate. The size of the supervisory board is determined by a country's law. It can't be changed by shareholders.
  - ✘ National interests have a strong influence on corporations with this model of corporate governance. Companies can be expected to align with government objectives.
  - ✘ This model also considers stakeholder engagement of great value, as they can support and strengthen a company's continued operations.



## ✘ The Japanese Model

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- ✘ The key players in the Japanese Model of corporate governance are banks, affiliated entities, major shareholders called Keiretsu (who may be invested in common companies or have trading relationships), management, and the government. Smaller, independent, individual shareholders have no role or voice.
- ✘ Together, these key players establish and control corporate governance.
- ✘ The board of directors is usually comprised of insiders, including company executives. Keiretsu may remove directors from the board if profits wane.
- ✘ In this model, corporate transparency is less likely due to the concentration of power and the focus on interests of those with that power.

# TYPES OF BAD GOVERNANCE PRACTICES

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- ✘ Types of bad governance practices include:
- ✘ Companies that do not cooperate sufficiently with auditors or do not select auditors with the appropriate scale, resulting in the publication of spurious or noncompliant financial documents
- ✘ Bad executive compensation packages that fail to create an optimal incentive for corporate officers
- ✘ Poorly structured boards that make it too difficult for shareholders to oust ineffective incumbents

# INTRODUCTION TO CORPORATE WHISTLEBLOWING

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- ✘ *“The purpose of whistleblowing is to expose secret and wrongful acts by those in power to enable reform.”*
- ✘ -Glenn Greenwald
- ✘ The concept of whistleblowing essentially means when a particular organization or the company is given a warning beforehand about any kind of corruption or any illegal activity happening within the organization, company.
- ✘ According to **Ahern, McDonald, Katharyn, Sally. (2002)**. Whistleblowing can be elucidated as an endeavour made by an existing or former member of an association to declaim a forewarning to a higher authority of that association or the public regarding perilous misconduct or any misconduct engendered or concealed by the organization.



## ✘ Whistleblowing policies adopted by some India corporate companies

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- ✘ It has been established that having a sound and efficacious corporate governance structure is an important aspect in the day-to-day operation of an organization, company. In recent years scandals like the murder of Satyendra Dubey, the Satyam Computer Scandal, the Infosys Scandal, the Ranbaxy Scandal have shed light on the problems faced by whistleblowers in India due to lack of legislation.
- ✘ In the light of these controversial scandals companies like **“The Heritage Food (India) Ltd”, “Wipro”, “Infosys”** and **“Tata Motors, Reliance Industries”** in recent years have adopted the whistleblower policy to protect the identity of any employee who wishes to expose any kind of wrongdoing that might be happening in the company.

# CLASS ACTION

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- ✘ In a class-action suit, a large group of people, having same or similar injuries caused by the same person, collectively bring a claim to court, represented by one or more persons. **This form of lawsuit is also called a Representative Action. One set of persons representing a larger group approach the court for redressal of their grievances. The rationale behind such suits are – firstly to protect the interest of members of a class who are geographically dispersed and secondly to reduce the duplication of the litigation as it combines the various proceedings initiated in different parts/jurisdiction bearing same cause of action(s).**

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- ✘ The concept of class action was first introduced in the US in the year 1938. ‘Class Action’, which is also known as ‘Representative Action’, is actually a form of lawsuit where a large group of people collectively brings a claim to the court through a representative.
  - ✘ A class action suit is filed generally when a number of people have suffered the same or similar injuries. Often many of the individuals’ injuries are relatively minor, such that they might not pursue legal redress on their own.
  - ✘ Together, however, the value of the claims of the class add up, and claiming as a class helps consolidate the attorneys, evidence, witnesses, and most other aspects of the litigation.



# Class Action Suits under various laws

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- ✘ **Class Action suits under Companies Act, 2013:**
- ✘ 1. A suit can be filed or any other action may be taken by any person, group of persons or any association of persons affected by any misleading statement or the inclusion or omission of any matter in the prospectus under the following provisions of the Act. (Section 37)
  - ✘ Section 34 – Criminal Liability for misstatements in prospectus
  - ✘ Section 35 – Civil Liability for misstatements in a prospectus
  - ✘ Section 36 – Punishment for fraudulently inducing persons to invest money.
- ✘ 2. A class action suit can be filed by members or depositors of the company or any class of them if they are of the opinion that the affairs of the company are being conducted in a manner prejudicial to the interest of the company or members or depositors. (Section 245)

## ✘ **Class Action suits under Code of Civil Procedure:**

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- ✘ There are no limits on the subject matter except for actions that cannot be filed in the civil courts at all, such as mismanagement suits. All persons having same interest in the suit can make an application for the class action suit.

## ✘ **Class Action suits under Competition Act:**

- ✘ A class may dispute an agreement which causes an appreciable adverse effect on competition within India or abuse of dominant position by an enterprise. Any person, consumer or their association can bring the action. E.g. Price Fixing
- Class Action suits under Consumer Protection Act:**  
The suit under this Act is restricted to disputes relating to goods and services sold/provided or delivered or agreed to be sold/provided or delivered. Consumers of the goods or services aggrieved can bring the action under this Act.



# ROLE OF INSTITUTIONAL INVESTORS

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- ✘ An institutional investor buys, sells, and manages stocks, bonds, and other investment securities on behalf of its clients, customers, members, or shareholders. Broadly speaking, there are six types of institutional investors: endowment funds, commercial banks, mutual funds, hedge funds, pension funds, and insurance companies. Institutional investors face fewer protective regulations compared to average investors because it is assumed the institutional crowd is more knowledgeable and better able to protect themselves.

- ✘ Institutional investors have the resources and specialized knowledge for extensively researching a variety of investment opportunities not open to retail investors.
- ✘ Because institutions are moving the biggest positions and are the largest force behind supply and demand in securities markets, they perform a high percentage of transactions on major exchanges and greatly influence the prices of securities. In fact, institutional investors today make up more than 90% of all stock trading activity
- ✘ Since institutional investors can move markets, retail investors often research institutional investors' regulatory filings with the Securities and Exchange Commission (SEC) to determine which securities the retail investors should buy personally.

# CODES OF CORPORATE GOVERNANCE

- ✘ **Governance Structure:**

All organizations should be headed by an effective board and all the responsibilities and accountabilities within the organization should be clearly distinguished.

- ✘ **Structure of the Board and its Committees:**

The board should consist of appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision. The board's size and scale should be in proportion with the level of diversity of the organization. Appropriate board committees may be formed to assist the board in effective performances to fulfill the duties.



## ✘ **Director's Appointment Procedure:**

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- ✘ There should be a formal, rigorous and transparent process for various activities like appointments, election, re-election of directors etc. Members for the board should be appointment on merit basis fulfilling objective criteria which should include skills, knowledge, experience, and independence for the benefits of the company. The board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.

## ✘ **Directors' duties, remuneration and performance:**

Directors should be aware of their legal duties. They must observe and foster high ethical standards and a strong ethical culture in their organization. Each director must be able to give sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed.

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- ✘ The board of members is responsible for the governance of the
  - ✘ organization's information, information technology and information security. The board, committees and individual directors should be supplied with information's in a timely manner and in an appropriate form and quality.
  - ✘ **Risk Governance and Internal Control:**  
The board will be held responsible for risk governance. It must check the development and execution of a comprehensive and powerful system of risk management and also ensures the maintenance of a sound internal control system.
  - ✘ **Reporting with Integrity:**  
The board must present a fair, balanced and understandable assessment of the performances and outlook of organization's financial, environmental, social and governance position in its annual report and on its website.

## ✘ Audit:

All the organizations should consider having an effective and independent internal audit function that has the respect, confidence and cooperation of both the board and the management. The board should establish formal and transparent arrangements to appoint organization's auditors and maintain an appropriate relationship with them.

- ✘ **Relations with Shareholders and other key Stakeholders:**  
The board should be responsible for ensuring that an appropriate interchange and disclosure takes place between the organization, its shareholders and other key stakeholders. The board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose



# CODES AND STANDARDS OF CORPORATE GOVERNANCE

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# CORPORATE SOCIAL RESPONSIBILITY

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- ✘ Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.
- ✘ To engage in CSR means that, in the ordinary course of business, a company is operating in ways that enhance society and the environment instead of contributing negatively to them.

# TYPES OF CORPORATE SOCIAL RESPONSIBILITY

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## 1. Environmental Responsibility

- ✘ Environmental responsibility is the pillar of corporate social responsibility rooted in preserving mother nature. Through optimal operations and support of related causes, a company can ensure it leaves natural resources better than before its operations. Companies often pursue environmental stewardship through:
  - ✘ Reducing pollution, waste, natural resource consumption, and emissions through its manufacturing process.
  - ✘ Recycling goods and materials throughout its processes including promoting re-use practices with its customers.
  - ✘ Offsetting negative impacts by replenishing natural resources or supporting causes that can help neutralize the company's impact. For example, a manufacturer that deforests trees may commit to planting the same amount or more.

## 2. Ethical Responsibility

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- ✘ Ethical responsibility is the pillar of corporate social responsibility rooted in acting in a fair, ethical manner. Companies often set their own standards, though external forces or demands by clients may shape ethical goals. Instances of ethical responsibility include:
  - ✘ Fair treatment across all types of customers regardless of age, race, culture, or sexual orientation.
  - ✘ Positive treatment of all employees including favorable pay and benefits in excess of mandated minimums. This includes fair employment consideration for all individuals regardless of personal differences.
  - ✘ Expansion of vendor use to utilize different suppliers of different races, genders, Veteran statuses, or economic statuses.



### 3. Philanthropic Responsibility

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- ✘ Philanthropic responsibility is the pillar of corporate social responsibility that challenges how a company acts and how it contributes to society. In its simplest form, philanthropic responsibility refers to how a company spends its resources to make the world a better place. This includes:
  - ✘ Whether a company donates profit to charities or causes it believes in.
  - ✘ Whether a company only enters into transactions with suppliers or vendors that align with the company philanthropically.
  - ✘ Whether a company supports employee philanthropic endeavors through time off or matching contributions.
  - ✘ Whether a company sponsors fundraising events or has a presence in the community for related events.



## 4. Financial Responsibility

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- ✘ Financial responsibility is the pillar of corporate social responsibility that ties together the three areas above. A company make plans to be more environmentally, ethically, and philanthropically focused; however, the company must back these plans through financial investments of programs, donations, or product research. This includes spending on:
  - ✘ Research and development for new products that encourage sustainability.
  - ✘ Recruiting different types of talent to ensure a diverse workforce.
  - ✘ Initiatives that train employees on DEI, social awareness, or environmental concerns.
  - ✘ Processes that might be more expensive but yield greater CSR results.
  - ✘ Ensuring transparent and timely financial reporting including external audits.

# BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY

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- ✘ Brand Recognition
- ✘ Investor Relations
- ✘ Employee Engagement
- ✘ Risk Mitigation

# CORPORATE PHILANTHROPY

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- ✘ Corporate philanthropy refers to the activities that companies voluntarily initiate to manage their impact on society. Typically, corporate philanthropic activities include monetary investments, donations of products or services, in-kind donations, employee volunteer programs and other business arrangements which aim to support a social cause.
- ✘ While some companies spearhead and operate corporate philanthropy programs themselves, others may focus on advancing the work of local community organizations, nonprofit organizations or other social initiatives geared toward improving society.



# TYPES OF CORPORATE PHILANTHROPY

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- × **Gift matching**
- × **Volunteer grants**
- × **Employee grants**
- × **Community grants**
- × **Community works**
- × **Scholarships**
- × **Volunteer support initiatives**
- × **Corporate sponsorship**



# BENEFITS OF CORPORATE PHILANTHROPY

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- ✘ **It can help the company give back to the community.**
- ✘ **Philanthropy programs can improve a company's public reputation**
- ✘ **Company sales can increase due to philanthropic efforts**
- ✘ **Customers may become more loyal to company products**
- ✘ **Connecting to communities can improve company culture**
- ✘ **Philanthropic companies may attract more talented candidates.**

# **CREATE A CORPORATE PHILANTHROPY PROGRAM**

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- 1. Find a team member to spearhead the program**
- 2. Select a method of philanthropy**
- 3. Locate and set aside funding for the program**
- 4. Draft a comprehensive plan of execution**
- 5. Create a marketing plan to promote giving**
- 6. Keep track of program metrics and review them regularly**

# CORPORATE SOCIAL RESPONSIBILITY AND STRATEGIC MANAGEMENT

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- ✘ Strategic planning and corporate social responsibility is a form of management in which companies take the ethical aspects of their business operations into consideration. They incorporate these social concerns into their business strategies and are more conscious of their roles in society and their communities outside of business.
- ✘ More than just obeying the law, corporate social responsibility involves a business taking proactive steps to improve the quality of life for its employees and community. Different companies will select a different social responsibility strategy from each other, but they all focus on four ethical aspects of business: economic, ethical, legal and philanthropic.



# CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

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- ✘ CSR refers to the social aspects of sustainability. Yes, good CSR practices can create a socially sustainable organization. Both corporate sustainability and CSR help companies run in a way that allows them to be ethically profitable, but never at the expense of others.
- ✘ Yet, CSR shouldn't be used interchangeably with the term *corporate sustainability* and its social aspects. There are subtle differences between the two concepts.

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- ✘ For one, *sustainability* and *responsibility* have different meanings:
  - ✘ **Sustainability:** To be maintained at a certain rate or level.
  - ✘ **Responsibility:** The state or fact of being accountable.
  - ✘ As such, the vision and targets of the two concepts diverge, as summarized below:
  - ✘ **Vision:**
    - + CSR looks back and reflects on what a company has done to contribute to society.
    - + Corporate sustainability is forward-thinking and looks to develop a future strategy.
  - ✘ **Target:**
    - + CSR often targets opinion formers such as the media, politicians, and pressure groups, and focuses on balancing current stakeholder interests.
    - + Corporate sustainability takes a more holistic approach, considering the social impacts from business alongside the environment and economy. Corporate sustainability will address multiple stakeholders and consider long-term impacts.

# CONSUMER PROTECTION ACT

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- ✘ The Consumer Protection Act, implemented in 1986, gives easy and fast compensation to consumer grievances. It safeguards and encourages consumers to speak against insufficiency and flaws in goods and services. If traders and manufacturers practice any illegal trade, this act protects their rights as a consumer. The primary motivation of this forum is to bestow aid to both the parties and eliminate lengthy lawsuits.
- ✘ This Protection Act covers all goods and services of all public, private, or cooperative sectors, except those exempted by the central government. The act provides a platform for a consumer where they can file their complaint, and the forum takes action against the concerned supplier and compensation is granted to the consumer for the hassle he/she has encountered.



# CONSUMER RIGHTS AND RESPONSIBILITIES:

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## The Rights of the Consumer

- ✘ **Right to Safety-** Before buying, a consumer can insist on the quality and guarantee of the goods. They should ideally purchase a certified product like ISI or AGMARK.
- ✘ **Right to Choose-** Consumer should have the right to choose from a variety of goods and in a competitive price.
- ✘ **Right to be informed-** The buyers should be informed with all the necessary details of the product, make her/him act wise, and change the buying decision.
- ✘ **Right to Consumer Education-** Consumer should be aware of his/her rights and avoid exploitation. Ignorance can cost them more.
- ✘ **Right to be heard-** This means the consumer will get due attention to express their grievances at a suitable forum.
- ✘ **Right to seek compensation-** This defines that the consumer has the right to seek redress against unfair and inhumane practices or exploitation of the consumer.

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## ✘ **The Responsibilities of the Consumer**

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- ✘ **Responsibility to be aware** – A consumer has to be mindful of the safety and quality of products and services before purchasing.
- ✘ **Responsibility to think independently**– Consumer should be well concerned about what they want and need and therefore make independent choices.
- ✘ **Responsibility to speak out**- Buyer should be fearless to speak out their grievances and tell traders what they exactly want
- ✘ **Responsibility to complain**- It is the consumer's responsibility to express and file a complaint about their dissatisfaction with goods or services in a sincere and fair manner.
- ✘ **Responsibility to be an Ethical Consumer**- They should be fair and not engage themselves with any deceptive practice.

# HOW TO FILE A COMPLAINT?

- ✘ Within two years of purchasing the product or services, the complaint should be filled.
- ✘ In the complaint, the consumer should mention the details of the problem. This can be an exchange or replacement of the product, compensation for mental or physical torture. However, the declaration needs to be reasonable.
- ✘ All the relevant receipts, bills should be kept and attached to the complaint letter.
- ✘ A written complaint should be then sent to the consumer forum via email, registered post, fax or hand-delivered. Acknowledgement is important and should not be forgotten to receive.
- ✘ The complaint can be in any preferred language.
- ✘ The hiring of a lawyer not required.
- ✘ All the documents sent and received should be kept.



# INVESTOR PROTECTION ACT

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- ✘ Investor Protection According to the SEBI Act, 1992 Investor protection is ‘protecting the interest of the investors in securities and promoting the development of and to regulate the securities market and for matters connected therewith or incidental thereto.’
- ✘ Generally, investor protection is known as legislation to protect the small investors from unscrupulous investment brokers and advisers. Thus, the term ‘investor protection’ means those steps and measures which are required to protect the interest of the investors by enacting suitable legislation, establishing regulatory bodies or by passing of regulations or guidelines for protecting the interest of the investors in the capital market

# INVESTOR PROTECTION MEASURES BY SEBI

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Investor protection legislation is implemented under the Section 11(2) of the SEBI Act. The measures are as follows:

- ✘ Formulation of Stock Exchange and other securities market business regulations.
- ✘ Registering and regulating the intermediaries of the business like brokers, transfer agents, bankers, trustees, registrars, portfolio managers, investment consultants, merchant bankers, etc.
- ✘ Recording and monitoring the work of custodians, depositors, participants, foreign investors, credit rating agencies, etc.
- ✘ Registering investment schemes like Mutual fund & venture capital funds, and regulating their functioning.
- ✘ Promotion and controlling of self-regulatory companies.

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- ✘ Keeping a check on frauds and unfair trading methods related to the securities market.
  - ✘ Observing and regulating major transactions and take-over of the companies.
  - ✘ Carry out investor awareness and education programme.
  - ✘ Train the intermediaries of the business.
  - ✘ Inspecting and auditing the security exchanges (SEs) and intermediaries.
  - ✘ Assessment of fees and other charges.

THANK YOU

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**TRAINING AND DEVELOPMENT**  
**BBA IV SEMESTER**




# Training and Development

- ▶ Training and Development is the continuous process of improving skills, gaining knowledge, clarifying concepts and changing attitude through structured and planned education by which the productivity and performance of the employees can be enhanced. Training and Development emphasize on the improvement of the performance of individuals as well as groups through a proper system within the organization which focuses on the skills, methodology and content required to achieve the objective. Good & efficient training of employees helps in their skills & knowledge development, which eventually helps a company improve its productivity leading to overall growth.




# Training and Development Process

- ▶ **Determine the need of training and development for individuals or teams**
  - ▶ **Establish specific objectives & goals which need to be achieved**
  - ▶ **Select the methods of training**
  - ▶ **Conduct and implement the programs for employees**
  - ▶ **Evaluate the output and performance post the training and development sessions**
  - ▶ **Keep monitoring and evaluating the performances and again see if more training is required**
- 

- ▶ Based on the evaluation results in the previous step, management needs to ascertain that if the training and development program was sufficient for now or more training and enablement would be required. Also, if future trainings are to be planned.



# Importance of Training and Development

1. Optimum utilization of resources
  2. Development of skills like time management, leadership, team management etc.
  3. To increase the performance, productivity and motivation
  4. To imbibe the team spirit
  5. For improvement of organization culture
  6. To improve quality
  7. To increase profitability and bottom line by acquiring new skills
  8. Improving brand image by having well trained employees
- 

# Relation and Difference Between Training and Development

<b>BASIS FOR COMPARISON</b>	<b>TRAINING</b>	<b>DEVELOPMENT</b>
Meaning	Training is a learning process in which employees get an opportunity to develop skill, competency and knowledge as per the job requirement.	Development is an educational process which is concerned with the overall growth of the employees.
Term	Short Term	Long Term
Focus on	Present	Future
Orientation	Job oriented	Career oriented
Motivation	Trainer	Self
Objective	To improve the work performances of the employees.	To prepare employees for future challenges.
Number of Individuals	Many	Only one
Aim	Specific job related	Conceptual and general knowledge

# Need for Training and Development

## **1. Improvement**

When management thinks that there is a need to improve the performances of employees

## **2. Benchmarking**

To set up the benchmark of improvement so far in the performance improvement effort

## **3. Specific Role Requirement**

To train about the specific job responsibility and skills like communication management, team management etc.


## **4. Testing**

To test the new methodology for increasing the productivity



## Advantages of training and development


Training and development has a cost attached to it. However, since it is beneficial for companies in the long run, they ensure employees are trained regularly. Some advantages are:

1. Helps employees develop new skills and increases their knowledge.
  2. Improves efficiency and productivity of the individuals as well as the teams.
  3. Proper training and development can remove bottle-necks in operations.
  4. New & improved job positions can be created to make the organization leaner.
  5. Keeps employees motivated and refreshes their goals, ambitions and contribution levels.
- 




## Disadvantages of training and development

Even though there are several advantages, some drawbacks of training and development are mentioned below:

1. It is an expensive process which includes arranging the correct trainers and engaging employees for non-revenue activities.
  2. There is a risk that after the training and development session, the employee can quit the job.
- 

# Instructional Systems Design (ISD) Model of Training & Development

- ▶ Instructional Systems Design is used for assessing and developing courses and solutions needed for formal training. The operative word here is “systematic,” as ISD is based on a framework and systems approach to designing courses for training delivery.
  - ▶ Applying ISD in designing and developing a course keeps Instructional Designers (IDs) on track for a learners-based rather than teacher-based approach to training. This systematic approach ensures an effective learning process grounded on learning objectives.
- 

# various Instructional Design Models

- ▶ **1. ADDIE**: The most popular ISD is the ADDIE model, which stands for Analysis, Design, Development, Implementation, and Evaluation.
- ▶ ADDIE is a step-by-step framework used by instructional designers, training developers, and learning and development specialists to create educational or training programs. ADDIE is an instructional design model that aims to organize content, streamline development, and ensure a structured framework for every course.
- ▶ But while ADDIE is the most widely recognized ISD, there are other models in use today to apply a systematic process to content development, planning, and developing their corporate training. Here are some other examples of Instructional Design Models:

## **2. Bloom's Taxonom**

- ▶ Bloom's Taxonomy shows a hierarchy of cognitive skills that can aid instructors in teaching and students in mastering the subject matter. One of the goals of the taxonomy is to motivate the learners to go beyond the lower steps of learning, such as memory and knowledge, and into deeper learning activities such as understanding, reflection, application, and problem-solving.


## **3. Merrill's Principles of Instruction**

- ▶ This instructional design model is applied when designing a training program and ensuring effective and efficient instruction. Essentially, this design model is based on the principle that learning takes place when the following are achieved:
  - ▶ Learners are engaged in solving real-world problems.
  - ▶ Existing knowledge is activated as a foundation for new knowledge.
  - ▶ New knowledge is demonstrated to the learner.

## 4. Gagne's Nine Events of Instruction


- ▶ As the name suggests, Gagne's Nine Events of Instruction are based on nine steps which Robert Gagne called "Events of Instruction." This instructional design model helps IDs follow a strategic process for designing and developing a training program. The nine events are as follows:
- ▶ Gaining Attention (Reception)
- ▶ Informing Learners of the Objective (Expectancy)
- ▶ Stimulating Recall of Prior Learning (Retrieval)
- ▶ Presenting the Stimulus (Selective Perception)
- ▶ Providing Learning Guidance (Semantic Encoding)
- ▶ Eliciting Performance (Responding)
- ▶ Providing Feedback (Reinforcement)
- ▶ Assessing Performance (Retrieval)
- ▶ Enhancing Retention and Transfer (Generalization)

# Basic Principles of Instructional Systems Design


- ▶ **It should move at an efficient pace.**
  - ▶ **It should put information into context.**
  - ▶ **It should be community-based.**
  - ▶ **It provides opportunities for learners to create original output.**
  - ▶ **It creates and uses evaluation tools implemented at the learner's pace.**
- 



# Organize Training Department

- ▶ **Decide on Your Training Types**
  - ▶ **Which Department Has Authority?**
  - ▶ **Choose Your Training Tools**
  - ▶ **Get Employee Input**
  - ▶ **Choose Your Trainers and Managers**
  - ▶ **Introduce the New Department**
- 


# Training and Development Policies


- ▶ A training and development policy needs to translate the organisation's needs and priorities into actionable, value-added, affordable and effective learning solutions. Depending on the size of the organisation and its structure and function, the resulting policy can be either a short or long document. However, at a minimum it should contain the following headings and associated details.
- 

- ▶ **Executive summary** — a concise summary of the training and development policy, mainly intended for those who wish to apprise themselves of the main points contained therein
- ▶ **Introduction** — to provide an overview of the training and development policy and the reasons for its existence, including a statement of the organisation's attitude to training and development
- ▶ **Organisational aims and objectives** — statements (ie aims) of what the organisation needs to achieve over a specified period of time and how (ie objectives) the aims will be achieved through training and development provision
- ▶ **Satisfying training and development requirements** — what is required to satisfy training and development requirements in the broad term, eg the T&D/L&D department, line managers, external providers and providers of qualifications

- ▶ **Training and development procedure** — a brief description of the key components of the training and development procedure (see “Procedure wording” below)
- ▶ **Identifying training and development needs** — a description of the current initiatives and needs. Therefore, special training initiatives should reflect processes, procedures, and standards required for identifying training and development needs, including the use of any appraisal/performance review systems. Training and development needs will need to be prioritised in relation to organisational priorities, larger-picture issues, problems or initiatives which face the organisation
- ▶ **Designing training provision** — a description of the process, procedures, and standards required for designing training provision. This should also include a list of the various formal means of training and development delivery available to the organisation, such as face-to-face, online and action learning




- ▶ **Developing training provision** — a description of the process, procedures, and standards required for developing training provision
  - ▶ **Assessment policy** — this will set out how employees will be assessed as a result of training and development provision. Reference will also need to be made to any vocational competencies and qualifications which are required for employees to undertake their job roles
  - ▶ **Evaluation policy** — this will set out how training and development provision will be evaluated in order to provide information that “stakeholders” need with regard to how provision has helped to meet the organisation’s aims and objectives. Most leaders of organisations expect that training and development provision to be evaluated to ensure that they are delivering results, specifically with regard to expenditure related to key organisational initiatives, or those that require significant investment. While some leaders are satisfied with less rigorous analyses of training performance (such as employee satisfaction), others will require proof of learning transfer or performance improvement
- 

- ▶ **Development of individuals** — this will set out how development opportunities will be provided, based on identified needs
  - ▶ **Individual requests for training and development** — this will detail how employees can request training and development at any time
  - ▶ **Induction training** — this will set out what is provided to all new employees and for those who are changing their job role
  - ▶ **Training and development support** — this will describe the use of coaching and/or mentoring in order to provide appropriate levels of training and development support
  - ▶ **Training and development providers** — this will set out who will be responsible for training and development provision (ie internal and external providers) and the criteria by which they will be selected and appraised
  - ▶ **Training and development administration** — this will provide details with regard to the means by which training and development provision will be administered.
- 



# Linking Training and Development to a Company Strategy


- ▶ It is the practice in many organizations to conduct training programs periodically for their employees. Often, these training programs are conducted to enhance on the job skills and to enable the employees to pick up valuable soft skills
  - ▶ Further, the training programs can be technical/job oriented or human resource skills oriented. For instance, it is common in technology companies and especially the big companies to provide a mandatory portion of training measured in hours per quarter for each employee.
- 

- ▶ To surmount this, **organizations need to link training programs to Specific, Measurable, and Achievable, Realistic and Time Bound goals or the so-called SMART goals that is a proven method for ensuring that organizational goals are met.** To explain, training programs have to be aimed at specific goals like training on a particular skill (technical or soft skill).
- ▶ Conducting trainings on omnibus topics like leadership without focus on specific goals would render them useless. Next, the outputs from the training programs have to be measurable meaning that an exit test must be held at the end of the training program to assess the impact of the training program on employees.




# Requisites Of Effective Training Program

## Designing and Developing Effective Training Modules:

1. Know your employees
  2. Dividing employees in to groups
  3. Preparing the information
  4. Presenting the information
  5. Delivering Training programs
- 

# **Role of External Agencies in Training and development**

- ▶ **Building Capabilities**
  - ▶ **Innovation**
  - ▶ **Succession**
  - ▶ **Knowledge Base**
- 

**THANK YOU**



# INCOME TAX

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# POINTS OF PRESENTATION

- ❖ INTRODUCTION
- ❖ BRIEF HISTORY OF INCOME TAX
- ❖ HEADS OF INCOME
- ❖ IMPORTANT TERMS
- ❖ INCOME TAX RATES
- ❖ EXEMPTION & DEDUCTIONS
- ❖ SOME USEFUL TIPS
- ❖ CONCLUSION

# INTRODUCTION

## WHAT IS TAX ? & WHY IT IS REQUIRED?

TAX IS A PART OF AN INDIVIDUAL'S EARNING WHICH IS REQUIRED TO BE PAID TO THE GOVERNMENT IN ORDER TO GENERATE REVENUE. IT IS A MANDATORY LIABILITY FOR EVERY CITIZEN OF THE COUNTRY. THERE ARE TWO TYPES OF TAX IN INDIA I.E. **DIRECT AND INDIRECT TAX**. INCOME TAX IS **DIRECT TAX**.

## WHY TAX IS REQUIRED?

INCOME TAX IS THE MAIN SOURCE OF INCOME FOR THE GOVT. TAX MONEY IS USED IN INITIATING VARIOUS WELFARE AND OTHE ACTIVITIES SUCH AS

# INTRODUCTION

- PROVIDING HEALTHCARE FACILITIES
- PROVIDING EDUCATION THROUGH GOVT SCHOOLS WHERE FEE IS NEGLIGIBLE
- SUBSIDY ON COOKING GAS, FERTILIZERS AND OTHER ESSENTIAL COMMODITIES.
- SALARY AND PENSION TO LAKHS OF GOVT EMPLOYEES.
- NATIONAL SECURITY AND INFRASTRUCTURE DEVELOPMENT

## BRIEF HISTORY OF INCOME TAX

- ORIGIN OF TAXATION IN INDIA DATES BACK TO ANCIENT INDIA AS FOUND MENTIONED IN ANCIENT BOOKS SUCH AS ARTHA SHASTRA AND MANUSMRITI.
- ACCORDING TO MANUSMRITI ARTISANS USED TO PAY  $1/5^{\text{TH}}$  OF THEIR PROFITS AS TAX WHEREAS AGRICULTURIST WERE REQUIRED TO PAY  $1/6^{\text{TH}}$ ,  $1/8^{\text{TH}}$  OR  $1/10^{\text{TH}}$  OF THEIR PRODUCE DEPENDING UPON THE CIRCUMSTANCES.





## BRIEF HISTORY OF INCOME TAX

IN MODERN INDIA, TAX WAS INTRODUCED FOR THE FIRST TIME IN 1860 BY SIR JAMES WILSON IN ORDER TO MEET THE LOSSES SUSTAINED ON ACCOUNT OF MILITARY MUTINY OF 1857. THIS WAS THE FIRST INCOME TAX ACT OF MODERN INDIA.

SUBSEQUENTLY ANOTHER INCOME TAX ACTS WERE PASSED DURING 1886, 1918 AND 1922.

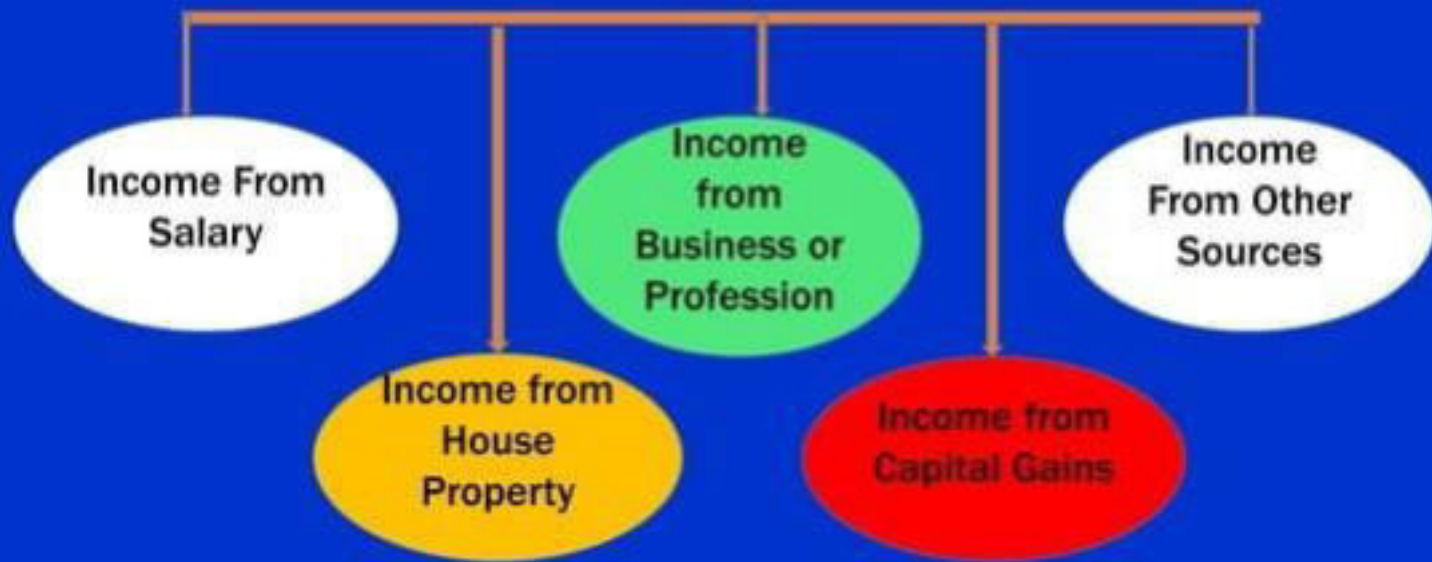
INCOME TAX ACT 1922 WAS THE LAST INCOME TAX OF BRITISH INDIA AND REMAINED IN FORCE TILL 1962.

## BRIEF HISTORY OF INCOME TAX

- IN INDEPENDENT INDIA THE INCOME TAX ACT 1922 WAS REPLACED WITH INCOME TAX ACT 1961 WHICH WAS IMPLEMENTED WEF. 01 APR 1962 AND IT IS STILL IN FORCE.
- SINCE 1962 SEVERAL AMENDMENTS OF FAR REACHING NATURE HAVE BEEN MADE IN INCOME TAX ACT BY THE UNION BUDGET EVERY YEAR.



# HEADS OF INCOME



# IMPORTANT TERMS

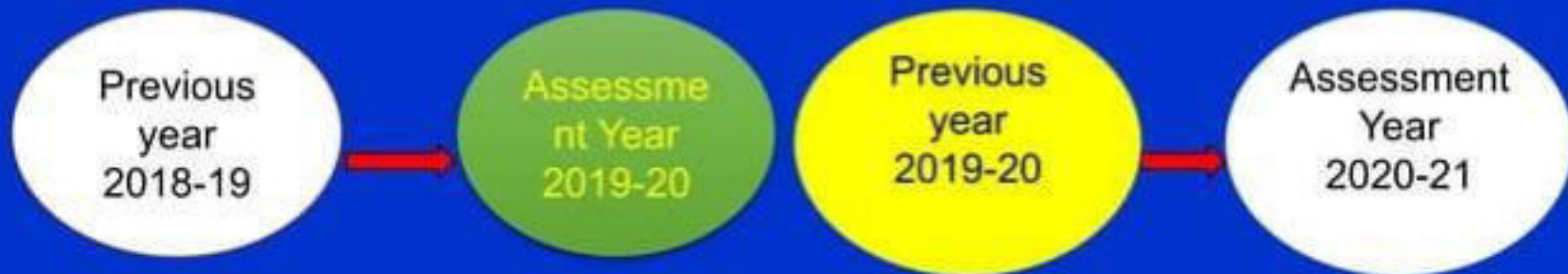
- ❑ ASSESSEE
- ❑ ASSESSMENT YEAR & PREVIOUS YEAR
- ❑ RESIDENTIAL STATUS
- ❑ GROSS TOTAL INCOME
- ❑ DEDUCTIONS
- ❑ TOTAL INCOME

# IMPORTANT TERMS

- ASSESSEE MEANS A PERSON BY WHOM ANY TAX OR ANY OTHER SUM OF MONEY IS PAYABLE UNDER THIS ACT. IN SIMPLE TERM THE ASSESSEE MEANS "TAX PAYERS"

- ASSESSMENT YEAR & PREVIOUS YEAR:-

ASSESSMENT YEAR MEANS THE PERIOD STARTING FROM APRIL 1 AND ENDING ON MARCH 31 OF THE NEXT YEAR AND PREVIOUS YEAR MEANS THE FINANCIAL YEAR IMMEDIATELY BEFORE THE ASSESSMENT YEAR.



## IMPORTANT TERMS Cont.....,

- RESIDENTIAL STATUS:- THERE ARE THREE TYPES OF RESIDENTIAL STATUS OF ASSESSEES AS PER INCOME TAX ACT 1961.

RESIDENT- MEANS A CITIZEN OF INDIA WHO RESIDED IN INDIA FOR A PERIOD OF 182 DAYS OR MORE IN DURING PREVIOUS YEAR. HIS INCOME EARNED ANY WHERE IN THE WORLD WILL BE TAXABLE IN INDIA.

NON RESIDENT(NRI)- INCOME EARNED IN INDIA ONLY WILL BE SUBJECT TO INCOME TAX IN INDIA.

RESIDENT BUT NOT RESIDING IN INDIA- CITIZEN OF INDIA WHO STAYED IN INDIA FOR LESS THAN 182 DAYS DURING PREVIOUS YEAR. HIS/HER INCOME ARISING OUTSIDE INDIA MAY ALSO BE TAXABLE IN INDIA.



## IMPORTANT TERMS Cont.....

GROSS TOTAL INCOME – IT COMPRISES SUM OF THE INCOME EARNED THROUGH ALL THE FIVE HEADS OF INCOME WITHOUT ANY DEDUCTION.

DEDUCTIOS – THE AMOUNT WHICH IS ALLOWED TO BE DEDUCTED FROM GROSS TOTAL INCOME BEFORE DETERMINING TAX LIABILITY OF AN ASSESSE SUCH AS CERTAIN SAVINGS, DONATIONS ETC.

TOTAL INCOME - IT IS GROSS TOTAL INCOME (MINUS) DEDUCTIONS. THIS IS THE NET TAXABLE INCOME OF ASSESSEE.

# CURRENT INCOME TAX RATES

## INCOME TAX RATES FOR CURRENT FINANCIAL YEAR I.E. 2019-20

GENERAL PUBLIC BELOW 60 Years OF AGE		SENIOR CITIZENS 60-80 Yrs		VERY SENIOR CITIZENS (ABOVE 80Yrs OF AGE)	
Income Range	Tax	Income Range	Tax	Income Range	Tax
> Upto Rs.2.5 Lakh	Nil	> Upto 3 Lakh	Nil	> Upto 5 Lakh	Nil
> Above 2.5 to 5 Lakh	5%	> Above 3 to 5 Lakh	5%	> Above 5 to 10 Lakh	20%
> Above 5 to 10 Lakh	20%	> Above 5 to 10 Lakh	20%	> Above 10 Lakh	30%
> Above 10 Lakh	30%	> Above 10 Lakh	30%		

- Education Cess 3% +Health Cess 1 % of Income tax for all tax payers
- Tax credit of Rs. 12,500/- or actual amt of tax for income of Rs. 5 Lakhs or less u/s 87A.
- Standard deduction of Rs. 50,000/-for Salaried and Pensioners
- There are no separate slab for male & Female.



## EXEMPTIONS & DEDUCTIONS

- EXEMPTIONS: IT IS THE PART OF INCOME WHICH IS NOT TAXABLE. IT IS REQUIRED TO BE DEDUCTED BEFORE COMPUTING GROSS TOTAL INCOME. E.G. CFA @ RS.2600/-PM, MFA @ RS.1000/PM SO ON. IN ANY CASE EXEMPTIONS CAN NOT BE MORE THAN GROSS TOTAL INCOME.
- DEDUCTIONS: AMOUNT OF EXPENDITURE INCURRED BY INDIVIDUAL TOWARDS SPECIFIC INVESTMENT, DONATIONS, INSURANCE ETC. THESE AMOUNTS ARE DEDUCTED FROM GROSS TOTAL INCOME BEFORE COMPUTING TAX LIABILITY. LIST OF SOME DEDUCTIONS ARE APPENDED AT NEXT PAGE.

# IMPORTANT EXEMPTIONS

Name of Allowances	Amount of exemption	Name of Allowances	Amount of exemption
High Altitude Allowance	Rs.1600/- pm	Siachin Allowance	Rs.7000/-pm
Spl Compensatory Allowance	Rs.1300/pm	CEA	Rs.100/pm per child
Hostel Subsidy	Rs.300/-pm	CFA	Rs.2600/pm
MFA	Rs.1000/-pm	CI Allowance	Rs.3900/pm
HAFA	Rs.4200/-	Island Special Duty Allowance	Rs.3250/pm
Monetary Allowance for Gallantry Awards	Fully Exempted		
House Rent Allowance	Up to certain amount based on specific conditions. Explained separately.		

## IMPORTANT EXEMPTIONS Cont...

### ■ AMOUNT OF EXEMPTION ON HRA:-

MINIMUM OF THE FOLLOWING (A,B,AND C) WILL BE THE AMOUNT OF EXEMPTION HOUSE RENT ALLOWANCE.

- (a) AMOUNT OF HRA
- (b) RENT PAID (MINUS) 10 % OF PAY (BASIC PAY)
- (c) 50% OF PAY (BASIC PAY) IF RESIDING IN METRO AND 40% OF PAY IF RESIDING IN A CITY OTHER THAN METRO.

# IMPORTANT DEDUCTIONS

Section (of IT Act 1961)	Details of Deductions	Maximum Amount
80C	PF SUBSCRIPTION, GIS SUBSCRIPTION, LIC PREMIUM, REFUND OF HOUSE BUILDING LOAN (PRINCIPAL), REFUND OF EDUCATION LOAN (PRINCIPAL), PAYMENT OF TUITION FEE FOR HIGHER EDUCATION, TERM DEPOSIT FOR NOT LESS THAN 5 YEARS IN A SCHEDULED BANK, POST OFFICE 5 YEARS TERM DEPOSIT ,CONTRIBUTION TO CERTAIN PENSION FUNDS.	RS.1,50,000/-
80CCD	CONTRIBUTION UNDER NEW PENSION SCHEME	RS.50,000/-
80D	CGHS/ECHS CONTRIBUTION, EXPENSES ON PREVENTIVE HEALTH CHECK UP, MEDICAL INSURANCE PREMIUM	RS.25000/ RS.50000/- (FOR SENIOR CITIZENS)



# IMPORTANT DEDUCTIONS

Section (of IT Act 1961)	Details of Deductions	Maximum Amount
80DD	MAINTENANCE & MEDICAL TREATMENT OF PERSON WITH DISABILITY.	RS.75,000/- (UP TO 80% DISABILITY) RS.1,25,000/- (IN CASE OF SEVERE DISABILITY (<80%))
80DDB	TREATMENT FOR SPECIFIC DISEASES I.E. CANCER, AIDS,CHRONIC RENAL FAILURE,HAEMOPHILIA, THALASSAEMIA, DEMENTIA,ETC	RS.40,000/- RS.1,00,000/- IN CASE OF SENIOR CITIZEN.
80E	PAYMENT OF INTEREST ON EDUCATION LOAN	FULL AMOUNT OF INTEREST TILL REFUND OF LOAN/FOR 8 YEARS WHICH EVER IS EARLIER.
80EE	PAYMENT OF INTEREST ON HOUSING LOAN AVAILED DURING 01 APR 2016 TO 31 MAR 2017. (LOAN AMOUNT UPTO 35 LAKH)	RS.50,000/-

# IMPORTANT DEDUCTIONS

Cont...

SECTION (OF IT ACT 1961)	DETAILS OF DEDUCTIONS	MAXIMUM AMOUNT
24	PAYMENT OF INTEREST ON HOUSING LOAN AVAILED ON OR AFTER 01.04.1999	RS.2,00,000
80EEA	INTEREST ON HOUSING LOAN AVAILED DURING FY 2019-20 ONWARDS PROVIDED THE STAMP DUTY VALUE OF THE HOUSE DOES NOT EXCEED RS.45 LAKH	RS.1,50,000/- IT IS NOT IN ADDITION TO RS.2 LAKH U/S 24 AND RS.50000/- U/S 80EE
80EEB	INTEREST ON LOAN AVAILED TO PURCHASE ANY ELECTRONIC VEHICLE DURING FY 2019-20 ONWARDS	RS.1,50,000/-
80G	DONATION TO CERTAIN FUNDS, CHARITABLE INSTITUTIONS. E.G. IAFCWF, PMNRF ETC.	50% OR 100% OF TOTAL AMOUNT AS NOTIFIED BY GOVT. (CASH DONATION UP TO RS.2000/- ONLY)



# IMPORTANT DEDUCTIONS

## Cont...

Section (of IT Act 1961)	Details of Deductions	Maximum Amount
80GG	NOT DRAWING HRA AND RESIDING IN A RENTED HOUSE	TOTAL RENT PAID (-) 10% OF TOTAL INCOME/25% OF TOTAL INCOME/RS.5000/PM.
80GGA	CERTAIN DONATIONS FOR SCIENTIFIC RESEARCH OR RURAL DEVELOPMENT.	100% OF SUM DONATED. (CASH DONATION UP TO RS.10,000 ONLY)
80GGC	CONTRIBUTION TO POLITICAL PARTIES.	100% OF CONTRIBUTION. (CASH CONTRIBUTIONRS.2,000/- ONLY)
80TTA	INTEREST ON SAVING BANK ACCOUNT (FOR INDIVIDUAL BELOW 60 YRS OF AGE)	RS.10,000/-
80TTB	INTEREST ON SAVING BANK ACCOUNT (FOR SENIOR CITIZENS)	RS.50,000/-
80U	PERSON WITH DISABILITY (a) DISABILITY ABOVE 40% TO <80% (b) DISABILITY OF 80% OR MORE	(a) RS.75,000/- (b) RS.1,25,000/-

## SOME USEFUL TIPS

- PAN IS A 10 DIGIT ALPHANUMERIC NUMBER SUCH AS ADGPY1234A ALLOTTED BY IT DEPTT. THE 4<sup>TH</sup> ALPHABET OF PAN REPRESENTS THE CATEGORY OF PAN HOLDER SUCH AS 'P' FOR INDIVIDUAL/PERSON, 'C' FOR COMPANY, 'F' FOR FIRMS ETC. WE ALL HAVE PAN WITH 4<sup>TH</sup> LETTER "P" SIMILARLY THE 5<sup>TH</sup> LETTER REPRESENTS THE FIRST LETTER OF "SURNAME" OR "LAST NAME OF THE PAN HOLDER.
- IT IS THE RESPONSIBILITY OF EVERY INDIVIDUAL TO PROVIDE VALID PAN TO HIS/HER EMPLOYER. FAILING WHICH A PENALTY OF RS.10,000/- MAY BE CHARGED AND HIGHER RATE OF TAX WILL BE DEDUCTED U/S 272B OF INCOME TAX ACT 1961. IN CASE OF AIR FORCE PERSONNEL AFCAO ACTS AS EMPLOYER

## SOME USEFUL TIPS

- PAN ALLOTTED TO A PERSON WILL BE DEEMED INVALID IF HE/SHE FAILS TO INTIMATE AADHAR DETAILS TO INCOME TAX DEPARTMENT.
- IF PAN HAS NOT BEEN ALLOTTED, ITR CAN BE FILED USING AADHAR NUMBER.
- AS PER SECTION 139(10) OF IT ACT 1961, EVERY INDIVIDUAL HAVING TOTAL INCOME EXCEEDING RS.2.5 LAKH DURING 2019-20 IS REQUIRED TO FILE ITR BY 31 JUL 2020.
- IN CASE OF FAILURE TO FILE ITR, PROSECUTION MAY BE INITIATED UNDER SECTION 276CC OF IT ACT PROVIDED THE TAX PAYABLE BY ASSESSEE IS RS.10,000/- OR MORE.



## SOME USEFUL TIPS

- ITR CAN BE FILED AFTER DUE DATE ASLO PAYING MANDATORY FINE AS TABULATED BELOW

PERIOD OF FILING ITR	LATE FEE
01 APR TO 31 JUL	NIL
01 AUG TO 31 DEC	RS.5000/-
01 JAN TO 31 MAR (NEXT YEAR)	RS.10,000/-

However, if the total income of a person does not exceed Rs.5 Lakh, the maximum late fee will be Rs.1000/-

At the time of filing ITR after due date, if any Tax is payable, then penal interest @1% of tax per month will be levied from due date till date of filing

## SOME USEFUL TIPS

- IN CASE OF INCOME FROM THE SALARY THE TAX IS ASSESSED BY THE EMPLOYER AND TAX IS DEDUCTED FROM MONTHLY SALARY WHICH IS CALLED TDS I.E. TAX DEDUCTED AT SOURCE.
- IF ANY INDIVIDUAL IS HAVING INCOME OTHER THAN FROM SALARY, THE TAX ON SUCH INCOME TO BE ASSESSED BY THE INDIVIDUAL HIMSELF WHICH IS CALLED SELF ASSESSMENT.
- IN SUCH CASES IF THE TOTAL TAX PAYABLE IS MORE THAN 10,000/- THE INDIVIDUAL IS REQUIRED TO PAY ADVANCE TAX AS PER THE FOLLOWING TIME SCHEDULE.

## SOME USEFUL TIPS

- DUE DATE FOR PAYMENT OF ADVANCE TAX:-

ON OR BEFORE 15 JUN OF PREVIOUS YEAR	UP TO 15% OF TAX PAYABLE
ON OR BEFORE 15 SEP OF PREVIOUS YEAR	UP TO 45% OF TAX PAYABLE
ON OR BEFORE 15 DEC OF PREVIOUS YEAR	UP TO 75% OF TAX PAYABLE
ON OR BEFORE 15 MAR OF PREVIOUS YEAR	UP TO 100% OF TAX PAYABLE



## CONCLUSION

IN THE SUBJECT PRESENTATION VARIOUS ASPECTS OF INDIVIDUAL TAXATION WERE EXPLAINED WHICH MAY BE HELPFULL IN DEALING WITH PERSONAL TAX PLANNING. AS EXPLAINED IN THE PRESENTATION THERE ARE A NUMBER OF TAX SAVING DEDUCTIONS AVAILABLE WHICH CAN BE UTILISED TO MINIMISE THE TAX BURDEN.

INDIVIDUAL SHOULD BE AWARE ABOUT THE RESPONSIBILITY TOWARDS TAX DEDUCTION, DEPOSIT OR FILING OF ITR ETC. AS THE CASE MAY BE.

WE ALL SHOULD BE CAREFUL ABOUT LAST DATE FOR FILING OF ITR E.I. 31 JUL EVERY YEAR AND ALSO THE DUE DATE FOR DEPOSITING ADVANCE TAX IF ANY.

THANK YOU,

# OVERVIEW OF PROJECT AND PROJECT MANAGEMENT

# Overview of Project

- A project is a unique endeavour to produce a set of deliverables within clearly defined constraints of time, cost and quality.
- A project is an investment activity where resources are used to create capital assets which produces benefits overtime and has a beginning and an ending with specific objectives.

# Project Vs. Programme

- A programme is an ongoing development effort or plan.
- A programme is therefore a wider concept than a project. It may include one or several projects at various time, with specific objectives linked to the achievement of higher level of common objective e.g. a health program may include a water project, as well as construction of a health center both aimed at improving the health of a given community which previously lacked easy access to these essential facilities.

# Project Vs. Programme

- Projects which are not linked with others to form a program are sometimes referred to as stand alone projects.
- A project to build a feeder road from an interior agricultural district to a district headquarter may qualify to be a stand alone project.
- When projects are designed to improve health of the community such as rural clean water supply project, health center construction project, pit latrine construction project and sanitary education project; they can be referred to as a programme.

# Project Vs. Business Operations

Projects are different from business operations in terms of uniqueness, timescale, budget, resources, risks and change.

- **Uniqueness:** Every project is different from the last one, whereas operational activities typically involves repetitive (if not identical) processes
- **Timescale:** A project has clearly specified start and end dates within which deliverables are produced to meet customer's requirements.
- **Budget:** A project has a maximum limit to the expenditure within which the deliverables must be produced, to meet the customer's requirements
- **Resources:** A project is allocated a specified amount of labour, equipment and material at the start.
- **Risk:** A project entails uncertainty and therefore carries business risks
- **Change:** The purpose of a project is typically to improve a situation through the implementation of change.



# Project Management

- Project Management is the capacity to marshal resources, lay out plans, program work and spur effort for a temporary endeavor which is finite in that it has a defined beginning and ending, and which is undertaken to create a unique product or service.
- Project Management is the utilization of skills, tools and management processes to undertake a project successfully .

# Project Management

- Project management methodology includes:
  - **A set of skills:** specialized knowledge, skills and experience help to reduce the level of risks and improve the likelihood of success.
  - **A suite of tools:** Project managers use several types of tools to ensure a project's success rate. These include templates, forms, registers, software, checklist, etc.
  - **A series of Processes:** A suite of management processes are needed to monitor and control the project; such as time management, cost management, quality management, change management, risk management, etc.

# Measure of Project Success

- A successfully managed project is one that is completed at a specified time, acceptable quality delivered on or before the deadline, and within the budget.
- In addition, **client satisfaction** will indicate success and possibility of replication or sustainability.
- Each of these parameters is specified in details during the planning phase of the project. This specification then forms the basis for evaluating the project during the implementation phase.

# Rationale for Project Management

- The essence of project management is to:
  - Maximize chances of reaching the objectives of the project which fits with the specification, and respect or exceed the agreed QUALITY to be delivered in TIME, SCOPE and BUDGET
  - Strive for efficiency because of limited resources which are available, and the need to achieve the objectives of the project as earlier as possible

# Key Measures on Project Management

1. Define the objectives, goals and products of the project e.g in animal health project you need to have objectives and goals of the project
2. Check for feasibility i.e is the project viable or not
3. Make a project plan or schedule of activities
4. Organize the people who are going to carry out the project and make sure that communication is clear
5. There is a need to have a baseline data
6. Then execute the plan
7. Control the activities and monitor the progress of the project

# Key Measures on Project Management

8. Measure and assess the project against the baseline
9. Evaluate the project
10. Re-plan any changes to the project implementation with greater precision until project completion
11. Close the project
12. Learn lessons from the project





# International Competitive Advantage

Nature, Meaning and importance  
of International Competitive  
Advantage



# Learning Outcomes

- Review of Porter's 5 Forces Model and its link to Porter's generic strategy
- Describe and evaluate Porter's generic strategy
- Resource-based framework for analysis

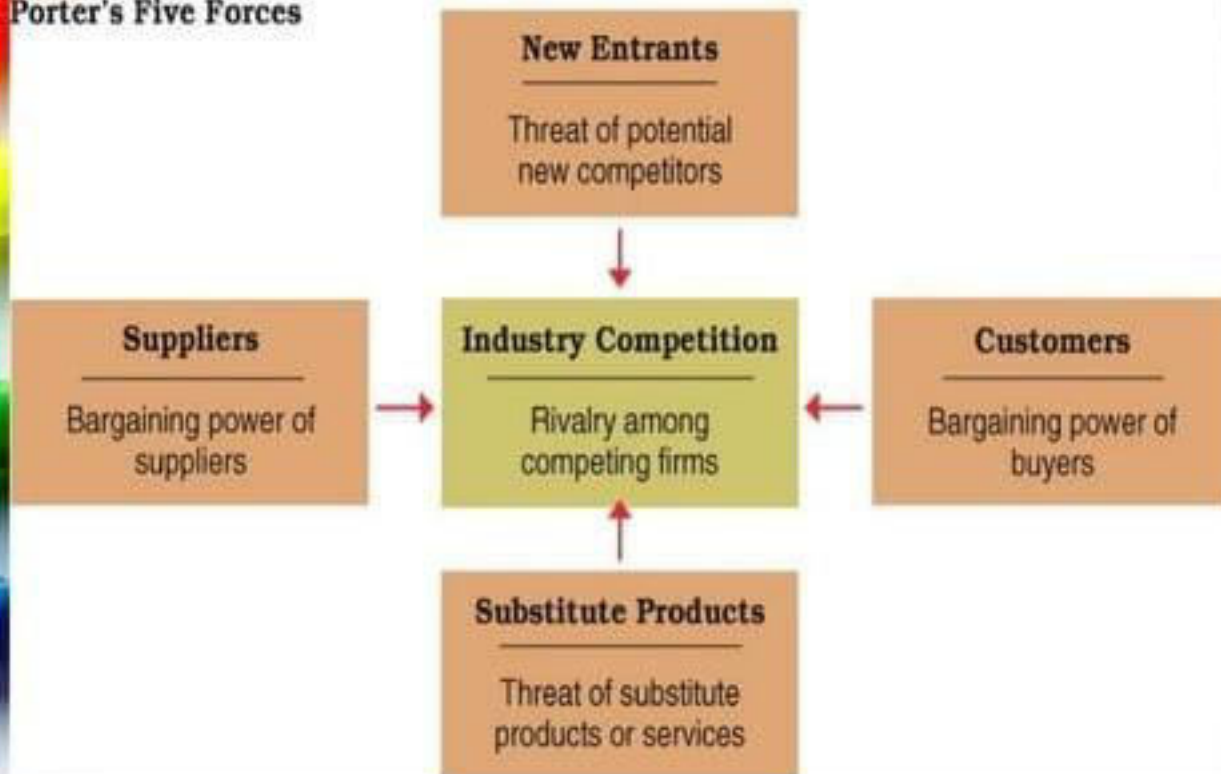



## Michael Porter ...

*“An industry’s profit potential is largely determined by the **intensity of competitive rivalry** within that industry.”*

# Porter's Five Forces

## Porter's Five Forces





# Advantage of the Model

- According to Porter, businesses can use the model to identify how to position itself to take advantage of **opportunities** and overcome **threats**



# Threat of New Entrants



## Barriers to Entry

- **Economies of Scale**
- **Product Differentiation**
- **Capital Requirements**
- **Switching Costs**
- **Access to Distribution Channels**
- **Cost Disadvantages Independent of Scale**
- **Government Policy**
- *Expected Retaliation*



# Bargaining Power of Suppliers

Suppliers exert power in the industry by:

*\* Threatening to raise prices or to reduce quality*

Powerful suppliers can squeeze industry profitability if firms are unable to recover cost increases

Suppliers are likely to be powerful if:

- Supplier industry is dominated by a few firms
- Suppliers' products have few substitutes
- Buyer is not an important customer to supplier
- Suppliers' product is an important input to buyers' product
- Suppliers' products are differentiated
- Suppliers' products have high switching costs
- Supplier poses credible threat of forward integration

# Bargaining Power of Buyers

**Buyer groups are likely to be powerful if:**

- Buyers are concentrated or purchases are large relative to seller's sales
- Purchase accounts for a significant fraction of supplier's sales
- Products are undifferentiated
- Buyers face few switching costs
- Buyers' industry earns low profits
- Buyer presents a credible threat of backward integration
- Product unimportant to quality
- Buyer has full information

**Buyers compete with the supplying industry by:**

- \* *Bargaining down prices*
- \* *Forcing higher quality*
- \* *Playing firms off of each other*

# Threat of Substitute Products

Keys to evaluate substitute products:

Products with similar *function* limit the prices firms can charge

Products with improving price/performance tradeoffs relative to present industry products

*Example:*

- Electronic security systems in place of security guards
- Fax machines in place of overnight mail delivery



# Porter's Five Forces Model of Competition



# Rivalry Among Existing Competitors

**Intense rivalry often plays out in the following ways:**

- Jockeying for strategic position
- Using price competition
- Staging advertising battles
- Increasing consumer warranties or service
- Making new product introductions

**Occurs when a firm is pressured or sees an opportunity**

- Price competition often leaves the entire industry worse off
- Advertising battles may increase total industry demand, but may be costly to smaller competitors

# Porter's 5 Forces and Profit

Force	Profitability will be higher if:	Profitability will be lower if:
Bargaining power of suppliers	Weak suppliers	Strong suppliers
Bargaining power of buyers	Weak buyers	Strong buyers
Threat of new entrants	High entry barriers	Low entry barriers
Threat of substitutes	Few possible substitutes	Many possible substitutes
Competitive rivalry	Little rivalry	Intense rivalry





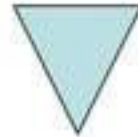
## Summary ...

*As rivalry among competing firms **intensifies**, industry profits **decline**, in some cases to the point where an industry becomes **inherently unattractive**.*

# Competitive Positioning School of Thought (“Outside In”)

- Based on Porter’s 5 Forces, generic strategy, and value chain frameworks

In which industry should the organization compete?  
(Use Porter’s 5 Forces Model)



Which generic strategy to use? (Use Porter’s Generic Strategy Framework)



How to configure the value chain to support the strategy?  
(Use the value chain analysis framework)

# Generic Strategy

- According to Porter, competitive advantage, and thus higher profits will result either from:
  - Differentiation of products (distinctive, more product features) and selling them at a **premium price**, OR
  - Producing products at a **lower price** than competitors



# Generic Strategy (cont.)

- In association with choosing **differentiation** or **cost leadership**, the organization must decide between:
  - Targeting the **whole market** with the chosen strategy, OR
  - Targeting a specific **segment** of the market

# Generic Strategy Framework

Low cost

Differentiation

Broad

Cost leadership    Differentiation

Strategic Scope

Cost focus

Differentiation  
focus

Narrow

NOTE: If 2 or more competitors choose the same box, competition will increase

# Generic Strategy Framework

Low cost

Differentiation

Broad

Cost leadership      Differentiation

Strategic Scope

Cost focus

Differentiation  
focus

Narrow

NOTE: If 2 or more competitors choose the same box, competition will increase



# Cost Leadership Strategy: Advantages

- Higher profits resulting from charging prices below that of competitors, because unit costs are lower
- Increase **market share** and **sales** by reducing the price below that charged by competitors (assuming price elasticity of demand)
- Ability to enter new markets by charging lower prices
- Is a barrier to entry for competitors trying to enter the industry



# Cost Leadership and the Value Chain

- Analysis of the value chain identifies where cost savings can be made in the various parts and links

# Cost Leadership and the Value Chain

- With a **cost leadership strategy**, the value chain must be organized to:
  - Reduce per unit costs by copying, rather than original design, using cheaper resources, producing basic products, reducing labor costs and increasing labor productivity
  - Achieve **economies of scale** by high-volume sales
  - Using high-volume purchasing to get discounts
  - Locating where costs are low

# Cost Leadership and Price Elasticity of Demand

- Cost leadership strategy is best used in a market or segment when demand is price elastic, OR
- When charging a similar price to competitors at the same time as increasing advertising to increase sales



# Generic Strategy Framework

Low cost

Differentiation

Broad

Cost leadership

Differentiation


Strategic Scope

Cost focus

Differentiation  
focus

Narrow

NOTE: If 2 or more competitors choose the same box, competition will increase



# Differentiation Strategy: Advantages

- Products will get a premium price
- Demand for products is less price elastic than that for competitor's products
- It is an additional barrier to entry for competitors to enter the industry





# Differentiation Strategy and the Value Chain

- Analysis of the value chain identifies in what parts of the chain and through which links superior products can be created and customer perception may be changed

# Differentiation Strategy and the Value Chain

- With **differentiation strategy**, the value chain must be organized to:
- Create products that are superior to competitors' products in design, technology, performance, etc.
- Offer superior after-sales service
- Have superior distribution channels
- Create a strong brand name
- Create distinctive or superior packaging

# Differentiation Strategy and Price Elasticity of Demand

- Differentiation strategy, properly used, can:
- **reduce price elasticity of demand** for the product
- lead to the ability to charge higher prices than competitors, without reducing sales volume
- lead to above average profits compared to sales



# Generic Strategy: Focus Strategy

- Focus strategy – targets a **segment** of the product market, rather than the whole market or many markets
- Segment is determined by the bases for segmentation, i.e., geographic, psychographic, demographic, behavioral characteristics
- Within the segment, **either** cost leadership or differentiation strategy is used



# Generic Strategy Framework

Low cost

Differentiation

Broad

Cost leadership    Differentiation

Strategic Scope

Narrow

Cost focus

Differentiation  
focus

NOTE: If 2 or more competitors choose the same box, competition will increase



# Focus Strategy: Advantages

- Lower investment costs required compared to a strategy aimed at the entire market or many markets
- It allows for specialization and greater knowledge
- It makes entry into a new market more simple



# Generic Strategy Framework

Low cost

Differentiation

Broad

Cost leadership

Differentiation

**Ryan Air,  
Walmart**

**McDonalds,  
BMW**

Strategic Scope

Cost focus

Differentiation  
focus

Narrow

**Ferrari, Rolls  
Royce**



# Hybrid Strategy

- Based on the idea that a strategy can be successful by using a **mix** of differentiation, price and cost leadership
- Example: Toyota



# Alternative to 5 Forces Analysis: Resource-based Framework

- Resource-based framework is designed to compensate for disadvantages in traditional models (like Porter's 5 Forces)
- Emphasizes the importance of core competence in achieving competitive advantage

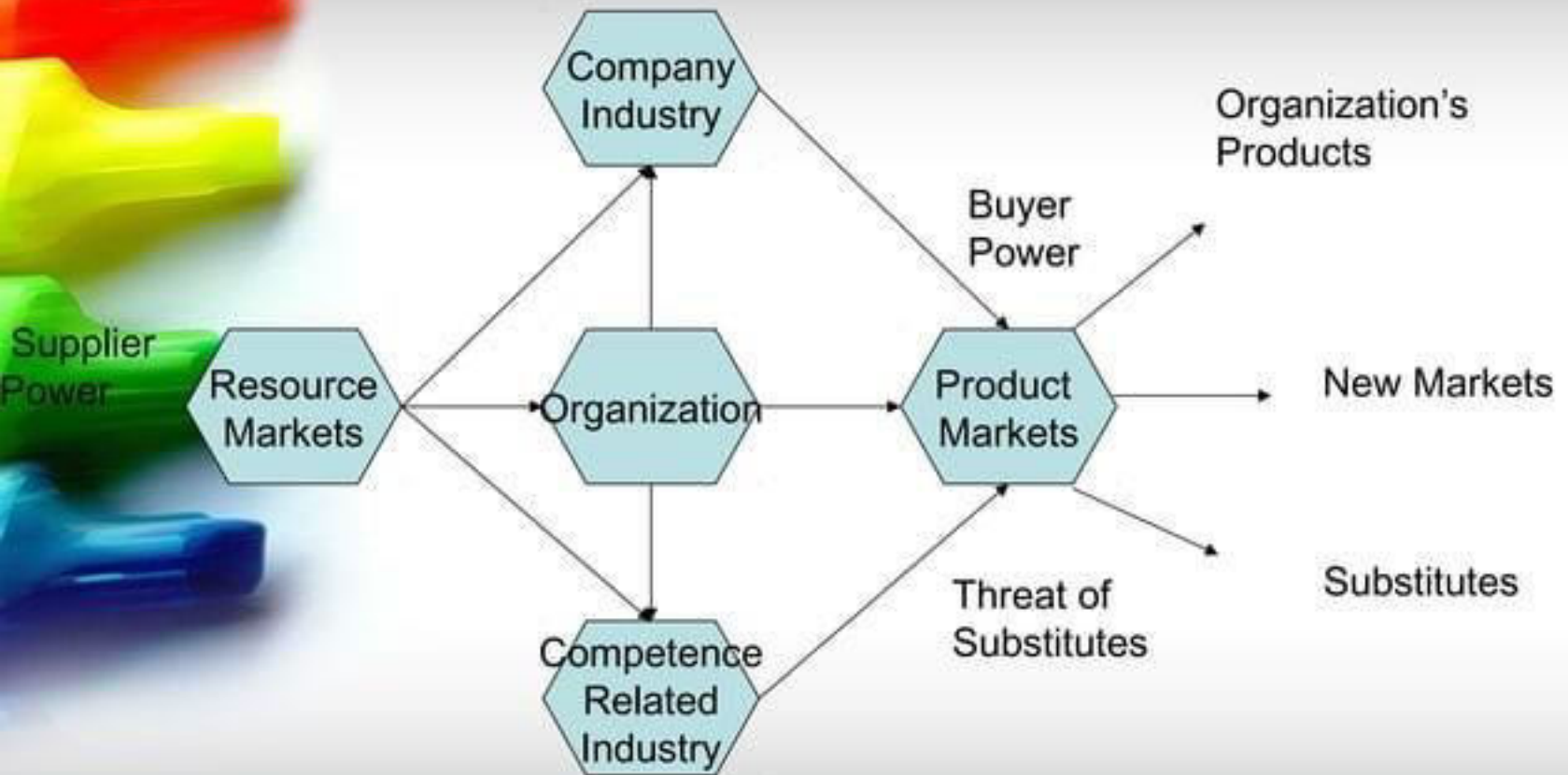
# Resource-based Framework

- Complicated and **comprehensive** analysis
- Analysis of 5 inter-related areas:
  - Organization
  - Industry
  - Product markets
  - Resource markets
  - Other industries



# Resource-based Framework

Competitive Rivalry



# Resource-based Framework: Organization

- Focuses on competences, core competences, resources and value chain (as we discussed in detail in Chapter 2)
- This part of the analysis includes an analysis of:
  - Resources
  - Organizational competences, core competences and activities
  - Value chain



# Resource-based Framework: Industry

- Focuses on analysis of competitors':
  - Skills and competences
  - Configuration of value-adding activities
  - Technology
  - Number and size
  - Performance (focus on financial performance)
  - Ease of entry and exit (**barriers**)
  - Strategic groupings

# A Note on Strategic Groupings

- Strategic groups – the group of competitors representing an organization's **closest** competitors
- Example: a group of branded clothes including Polo (Ralph Lauren), Tommy Hilfiger, and Izod (Lacoste), among others, may be a strategic group, even though there are other lower quality brands that are technically competitors
- Example 2: Rolex, Tag Heuer, Tissot may be part of a strategic group that does not include Swatch, Timex, Seiko, even though they are all watchmakers

# Resource-based Framework: Product Markets

- Analysis is focused on:
  - Customer needs and satisfaction
  - Unmet customer needs
  - Market segments and profitability
  - Number of competitors to the market and relative market share
  - Number of customers and their purchasing power
  - Access to distribution channels
  - Ease of entry
  - Potential for competence leveraging
  - Need for new competence building



# Product-based Framework: Resource Markets

- Resource markets: where organizations obtain finance, human resources, human resources, physical resources, technological resources
- Analysis focuses on:
  - Resource requirements
  - Number of actual and potential suppliers
  - Size of suppliers
  - Potential collaboration with suppliers (cooperation)
  - Access by competitors to suppliers
  - Nature of the resource and availability of substitutes

# Resource-based Framework: Competence-related Industries

- Focuses on analysis of **other industries** with similar competences and which may produce products that can be substitutes of the organization's products
- Analysis is useful to identify:
  - Potential threats
  - Other industries in which the organization may be able to leverage their competences
  - New markets



Mcktn.sey *7s model..*

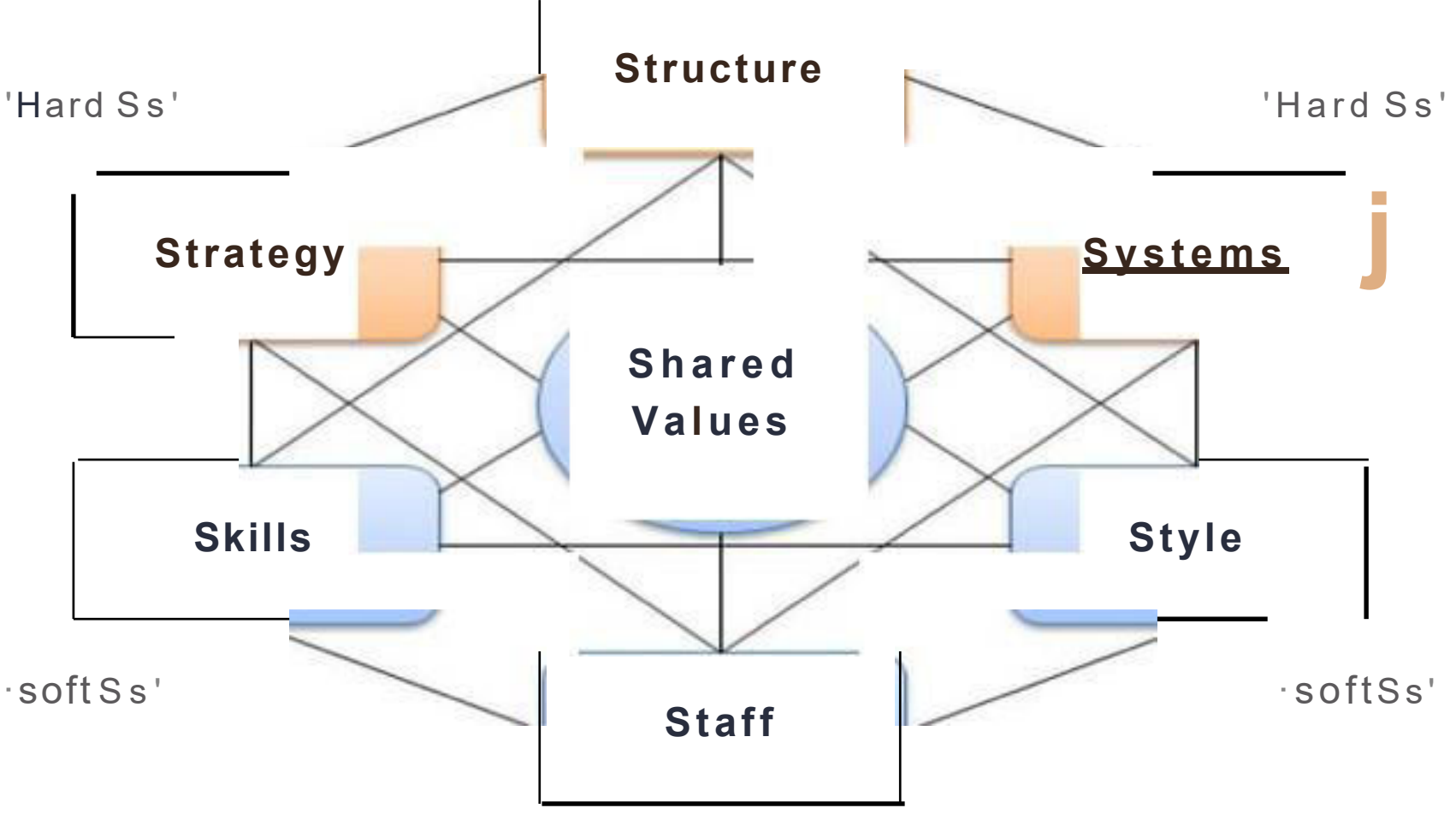


# 7sframework...

- It was first mentioned in "The Art of Japanese Management" by Richard Pascale and Anthony Athas in 1981. They have been investigating how Japanese industry has been so successful.

around the same time that Tom Peters and Robert Waterman were exploring what made a company excellent by taken up a basic tool by global management consultancy company McKinsey.

- The 7s model was born at a meeting of these 4 authors.







# McKinsey 7s model..

- The McKinsey model is a tool that analyses firm's organizational design by looking 7 elements in order to identify if they are effectively aligned and allow organization to achieve its objectives.
- Tool to assess and monitor changes in the internal situation of an organization.





# USES OF FRAMEWORK:

- To implement new strategies.
  - To identify effects of future changes within a company.
  - To facilitate organizational change.
  - To understand how these elements are inter-related.
  - To identify what needs to be realigned to improve performance of the organization.
- 
- 



# THE 7S ELEMENTS...

- HARD  
ELEMENTS

- Strategy
- Structure
- System

- SOFT  
ELEMENTS

- Skills
- Style
- Shared Values
- Staff




## HARD ELEMENTS:

- They are easy to define and identify.
- Management can directly influence them.
- These are the strategy statements, organizational chart and reporting lines.



## SOFT ELEMENTS:

- Harder to describe and identify.
  - More influenced by culture.
  - As important as hard elements to run a successful business.
- 



# 1. STRUCTURE

- D Ways in which task and people are specialized and divided and authority is distributed i.e. who is accountable to whom in the organization.
- D It is the organizational chart of the firm.
- D One of the most visible and easily changeable element of the framework.

## Main structures are:

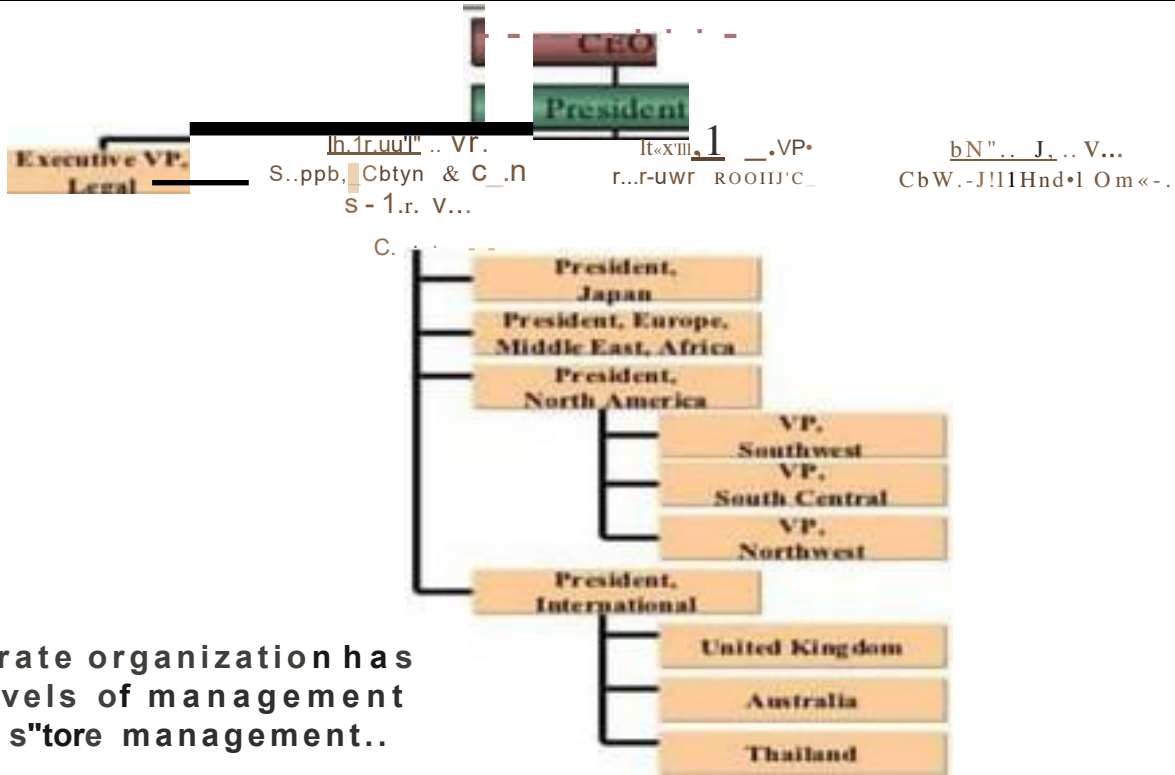
- Functional based

- Divisional based

- Team based

- Project based

# STARBUCKS - Organization Chart



Corporate organization has four levels of management above s"tore management..



## 2. STRATEGY

- Blueprint or the actions which gives direction to managers to achieve the organizational goals.
- Determine how company will beat its competitors and achieve its targets.
- Bridges a gap between where we are and where we want to be in future

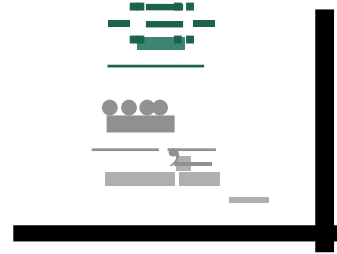
□ Various strategies are there which a company must according to its needs like :

- Market penetration
- Product development
- Market development
- Diversification

	Old Product	New Product
Old Market	Market Penetration	Product Development
New Market	Market Development	Product Diversification

# Strate

- Global expansion
- Customer services
- 3rd place in people's live



# 3. SYSTEM

- D Systems are the resources and procedures that people use to perform their tasks.
- D Formal and Informal processes and procedures are followed to manage the organization.
- D Ensures that all employees are working in proper direction as per the manager.

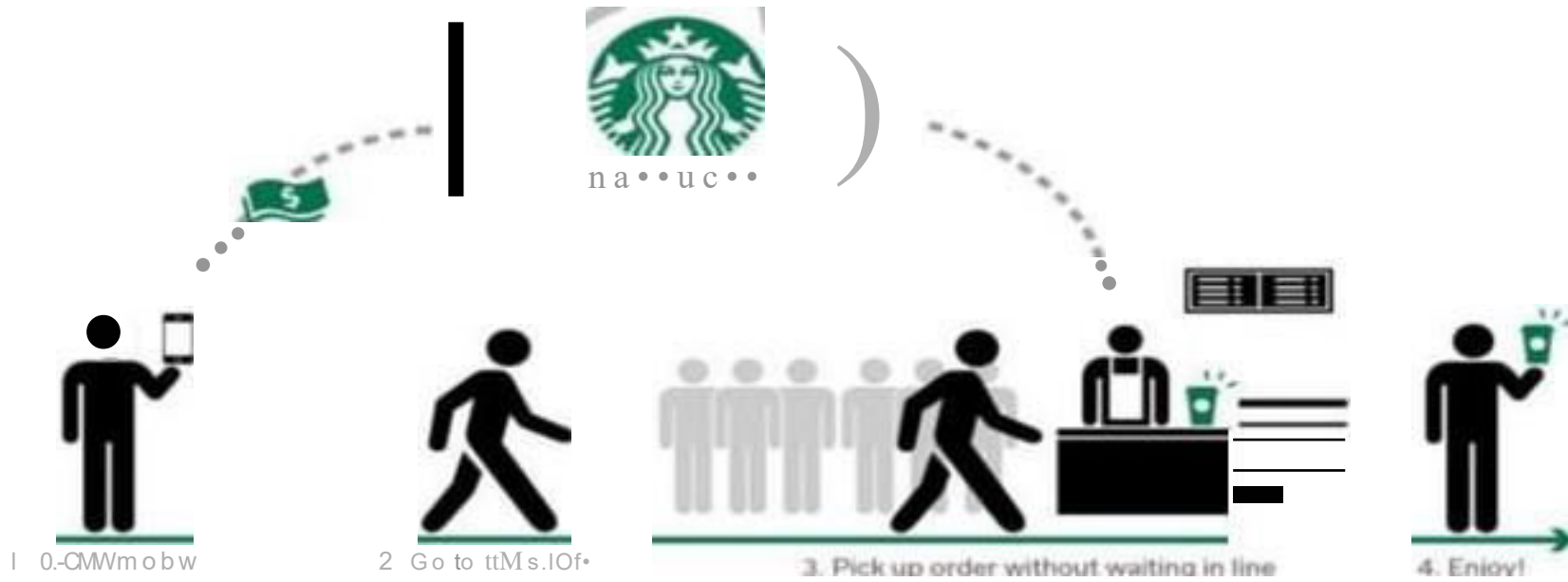
## Examples:

- Performance measurement system
- Reward system
- Resource allocation

Traditional **thinking**

Systems thinking







# 4.STYLE

- D Represents the style of leadership adopted in the organization.
- D Leadership of top management and overall operating style of organization.
- D Impacts norms followed by people, how they work and interact with each other and customers.

D Leadership styles like:

- Autocratic
- Democratic
- laissez-faire

*r,*



## Leadership Style





# Staff

---

- Partners instead of employee
- Respal
- **Low no. of employee luroover**
- High quality employee
- High lc,•cl of motivntion



# 6. SKILLS

- D** Distinctive competencies in the organization.
- D** Refers to those activities that an organization does best and for which they are known.
- D** These concern both the skills of organization as well as those of the employees.
- D** Organisation should provide training to improve the skills of the employees.

It includes:

- What skill does a company possess?
- What skills is the company lacking?



# Skills

---

- Brand all'irness
- Strnli!gic nli:mces



# 7.SHARED VALUES

They are the norms and standards that guide employees behavior and company's action.

- Common values, guiding principles that unites the organization in one direction,
- Determines the way we work and the way in which problems are solved in the organization.







## Starbucks Core Values

1. Provide a great work environment and treat each other with respect and dignity.
2. Embrace diversity as an essential component in the **way we** do business.
3. Apply the highest standards of excellence to the purchasing, roasting and fresh delivery of our coffee.
4. Develop enthusiastically satisfied customers all the time.
5. Contribute positively to our communities and our environment.
6. Recognize that profitability is essential to our future success.

# WHY SHARED VALUES IN THE MIDDLE OF THE MODEL?

- Placing shared values in the middle emphasizes that these values are central to the development of all the other critical elements.
- The company's other 6s stem from why the organization was originally created and what it stands for.
- Like the original vision of the company was formed from the values of the creators. As the values change, so do all the other elements.

# McJONSEY 7S USED BY APPLE

**Shared Values** - business is aligned around the values of design and user experience

**Strategy** - focus on a small number of products and to make them innovative and excellent - enabling the business to capture a huge market share relative to its size, and build a loyal customer following



## Continued...

**Staff** - offers their employees huge benefits

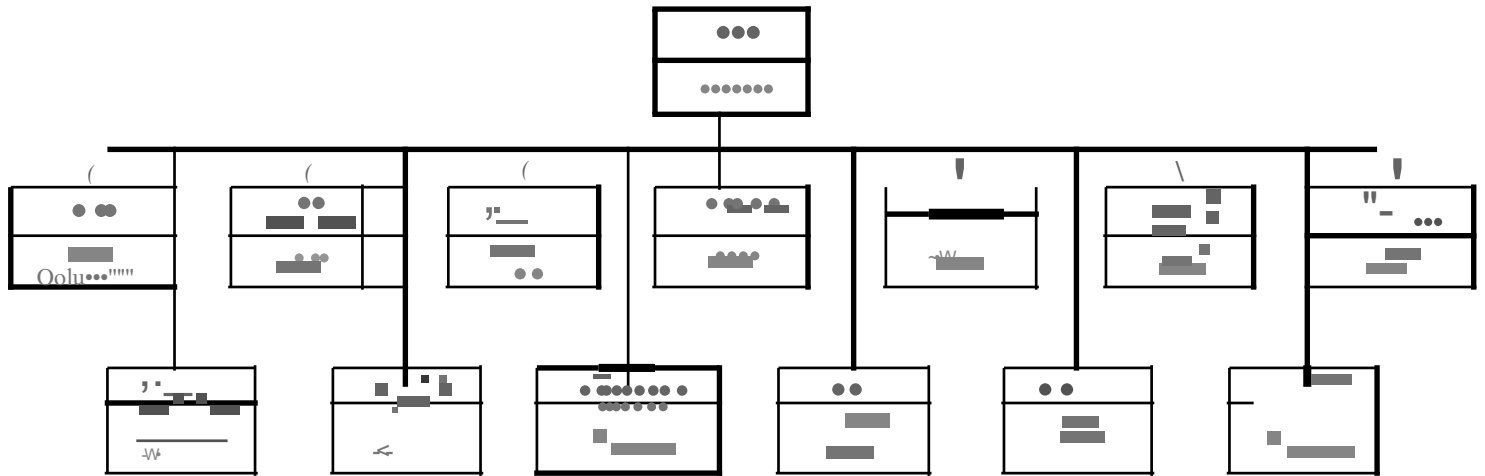
**Skills** - highly qualified and creative employees

**Systems** - supply chain with built capacity for launching and supplying huge new market dominating products

**Style** - people are free to innovate - as long as they met Jobs' high standards

Structure :

# Apple Executive Team





Thank You



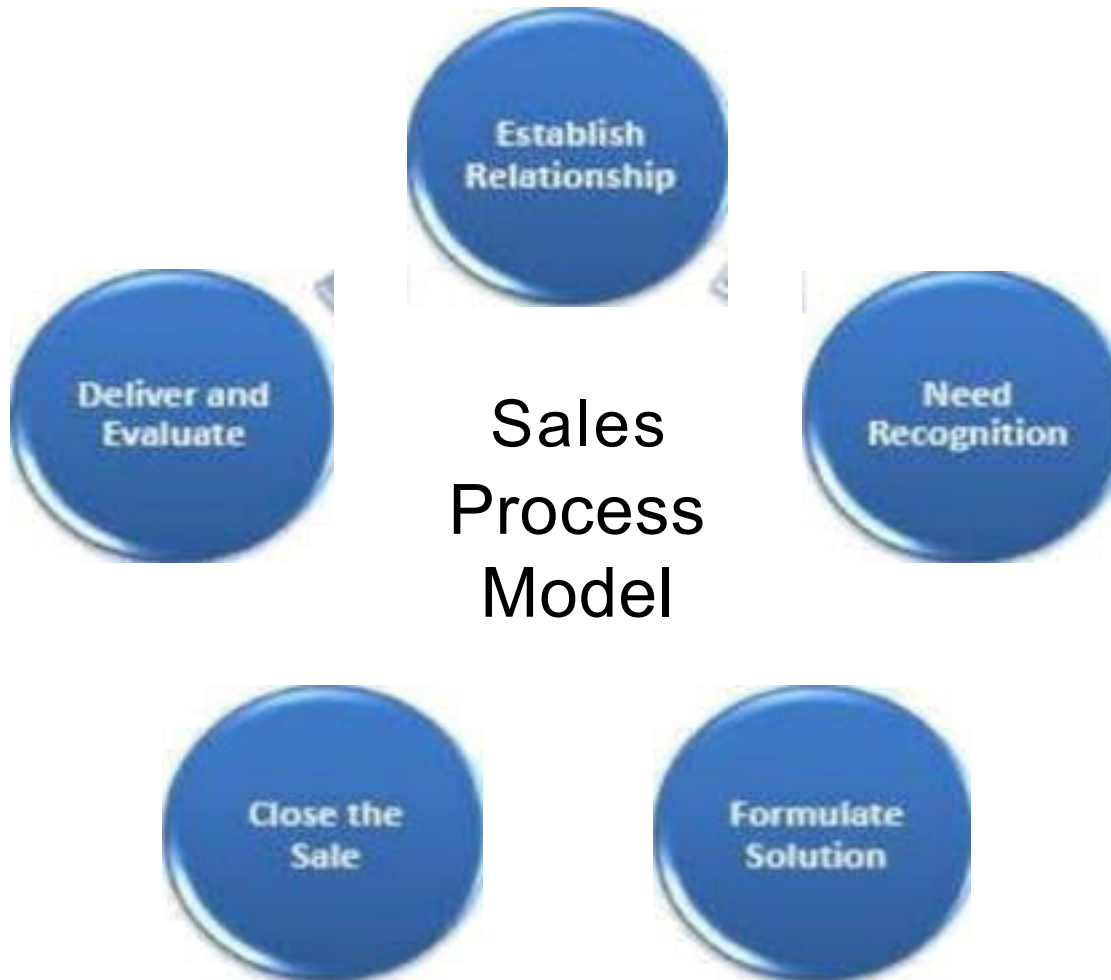


# **Sales and Distribution**

# Steps in selling process

1. Prospecting
2. Call planning
3. The visit —preliminaries
4. Presentation
5. Trial close
6. Listening to the objections
7. Objection handling
8. Trial close
9. Close
10. Follow-up and service





# Sales Budget

## Definition :

A sales budget is a detailed schedule showing the expected sales for the budget period; typically, it is expressed in both dollars and units of production. An accurate sales budget is the key to the entire budgeting in some way. If the sales budget is sloppily done then the rest of the budgeting process is largely a waste of time.



# E a be of sa es bud et

XYZ.INC

## SALES BUDGET

FOR THE YEAR ENDED DECEMBER 31.2010

### Quarter

1

2

3

4

YEAR

Budgeted sales in cases

10,000 30,000 40,000 20,000 100,000

Selling price per case

\$20.00 \$20.00 \$20.00 \$20.00 \$20.00

Total sales

\$200,000 \$600,000 \$800,000 \$400,000 \$2,000,000

Percentage of sales

collected in the period of the sales

70%

Percentage of sales collected

in the period after the sales

30%

70%

30%

# Recruitment And Selection

## Conducting a Peculiar Selection Interview

"A successful recruitment/selection interview is not a matter of good luck or even skilled conversation..."





# Recruitment And Selection

## Recruitment

1. Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization

## Selection

WHEREAS selection involves the series of steps by which the candidates are screened for choosing the most suitable persons for vacant posts.

# Recruitment And Selection

## Recruitment

2. The basic purpose of recruitments is to create a talent pool of candidates to enable the selection of best candidates for the organization, by attracting more and more employees to apply in the organization

## Selection

WHEREAS the basic purpose of selection process is to choose the right candidate to fill the various positions in the organization.



# Recruitment And Selection

## Recruitment

3. Recruitment is a positive process i.e. encouraging more and more employees to apply.
4. Recruitment is concerned with tapping the sources of human resources

## Selection

- WHEREAS selection is a negative process as it involves rejection of the unsuitable candidates.
- WHEREAS selection is concerned with selecting the most suitable candidate through various interviews and tests.

# Recruitment And Selection

## Recruitment

5. There is no contract of recruitment established in recruitment

## Selection

WHEREAS selection results in a contract of service between the employer and the selected employee.

# Quota

## Management

- 1) Quota management is a critical initiative for any organization trying to drive sales transformation or reduce operational costs.
- 2) To optimize the performance of sales teams, organizations must be able to effectively determine and communicate quotas and territories, and then track channel and sales representative target approval.
- 3) Without equitable quotas and territories, operations miss significant revenue opportunities by overburdening particular sales professionals and under utilizing others.

# Quota Management

## Benefits

- Optimal quota and territory assignments for best use of selling resources
- Immediate integration of planning outputs into a production commissions system for accuracy and low cost operation
- Easy adjustments to attribution and change crediting
- Optimized pay plan effectiveness
- Maximized seller motivation
- Increased sales supervisor efficiency and effectiveness
- Alignment of individual goals with strategic objectives



# Distribution Management

## Definition :

- The management of the efficient transfer of goods from the place where they are manufactured to the place where they are sold or used.
- Overseeing the movement of goods from supplier or manufacturer to point of sale. Distribution management is an overarching term that refers to numerous activities and processes such as packaging, inventory, warehousing, supply chain and logistics.

(Note Distribution management involves such activities as warehousing, materials handling, packaging, stock control, order processing, and transport.)

# Motivation and compensation

## Definition

Motivation - Internal and external factors that StilTIUldtR desire and n e u r in people to be continually interested in and committed to a role, or sub ect and to exert persistent effort in attaining a goal. Motivation is the energizer of behavior and mother of all action.



It results from the interactions among conscious and unconscious factors such as the (1) intensity of desire or need, (2) incentive or reward value of the goal, and (3) expectations of the individual and of his or her significant others.

# Motivation and Compensation

## Definition

Compensation- Compensation is the total amount of the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required.



# Compensation is based on

- market research about the worth of similar jobs in the marketplace,
- employee contributions and accomplishments,
- the availability of employees with like skills in the marketplace,
- the desire of the employer to attract and retain a particular employee for the value they are perceived to add to the employment relationship, and etc.

# Retailing and Wholesaling

## Definitions

### Retailing

- All activities involved in selling goods or services directly to final consumers for their personal, non-business use.

### Wholesaling

- All activities involved in selling goods and services to those buying for resale or business use.

# Retailing

## Types of Retailers :

- Specialty Stores
- Department Stores
- Supermarkets
- Discount Stores
- Convenience Stores
- Off Price Retailers
- Superstores





# Wholesaling

Wholesalers add value by performing the following functions:

- Selling and promoting
- Buying and assortment building
- Bulk-breaking
- Warehousing
- Transportation
- Financing
- Risk bearing
- Market information
- Management services and advice



# What Is The Difference Between Wholesale And Retail\*

The difference between wholesale and retail is that wholesale implies to bulk manufacturing and selling, whereas retail implies to far fewer numbers, especially where sales are concerned.

# Supply Chain Management

## Definitions

### Supply chain management (SCM)

- the management of a network of interconnected businesses involved in the ultimate provision of product and service packages required by end customers Supply chain management spans all movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption (supply chain).



# The management components of SCM

- Planning and control
- Work structure
- Organization structure
- Product flow facility structure
- Information flow facility structure
- Management methods
- Power and leadership structure
- Risk and reward structure
- Culture and attitude

# Sales Forecasting

## Definition:

Sales Forecasting -is the process of estimating what your business's sales are going to be in the future.



# Three Methods

## Sales Forecasting

Modern Managers have several different methods available for Sales Forecasting.

Popular methods are:

- Jury of Executive Opinion Method
- The Sales force Estimation Method
- Time Series Analysis Method



# Jury of Executive Opinion Method

In the Jury of executive opinion method of Sales Forecasting, appropriate managers within the organization assemble to discuss their opinions on what will happen to sales in the future.

# The Sales force Estimation Method

The Sales Force Method is a sales forecasting technique that predicts future sales by analyzing the opinions of sales people as a group.

# Time Series Analysis Method

The time series analysis method predicts the future sales by analyzing the historical relationship between sales and time.

# Territory Design

Sales people have a finite amount of selling capacity. Customers and prospects have coverage requirements. The correct assignment of customers and prospects to members of the sales force can improve sales performance from 10a to 30a, without any incremental cost. Understanding the potential of each territory can help companies match the best opportunities to the most capable sales people.



# Territory Design

Territory Design focuses on fairly distributing revenue potential to sales reps, properly determining the most appropriate territory design criteria, and matching territory workload to sales rep capacity.

# STEPS TERRITORY DESIGN





# Territory Design

The results delivered from Territory Design solutions are:

- Optimized workload balance which enhances sales responsiveness
- Reduction in travel time and expenses
- Lower sales force turnover due to higher sales force morale
- Proper integration of acquired sales forces
- Built in adaptability due to market shifts and new product launches

**THANK YOU**





# AGENDA:-

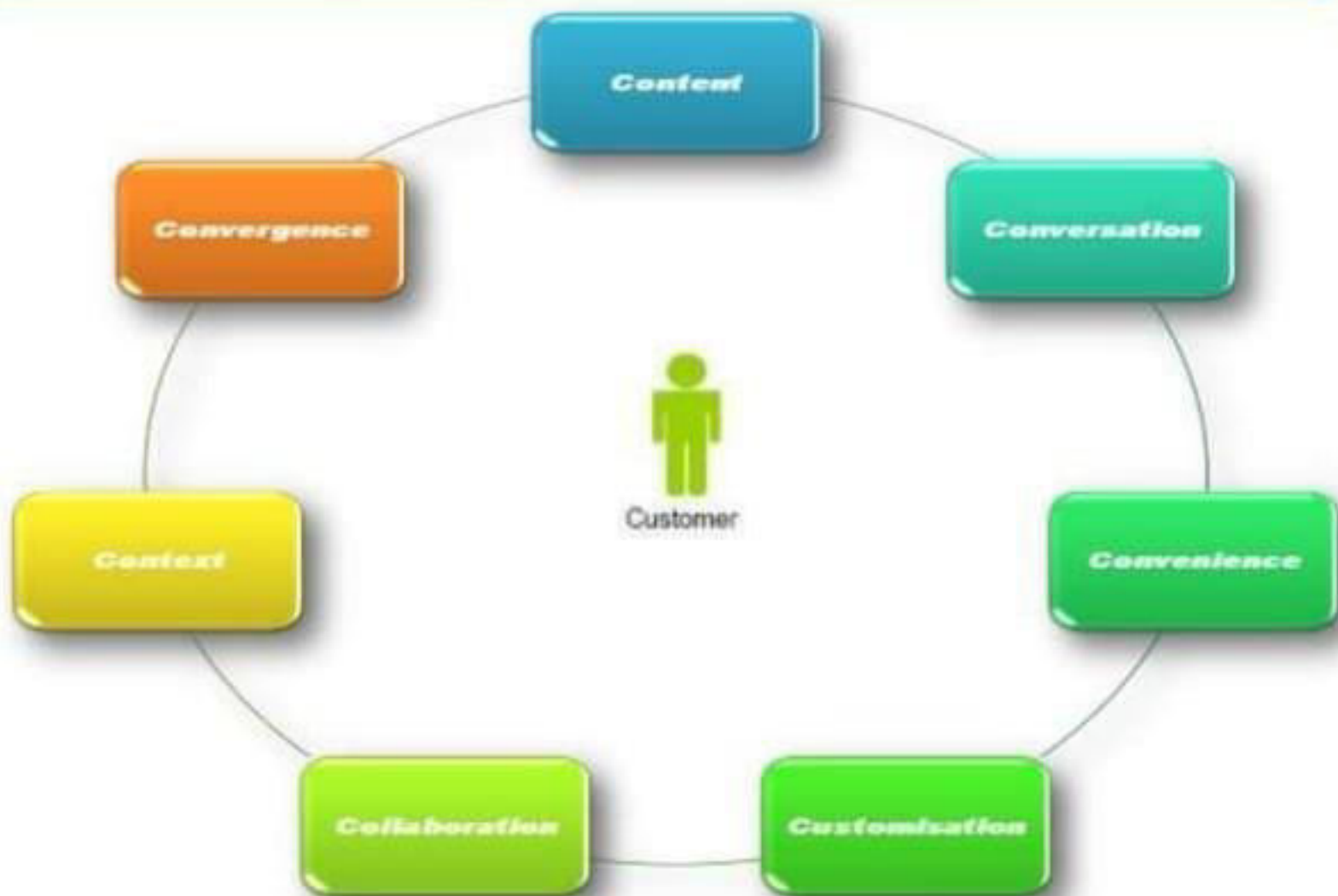
1. INTRODUCTION TO DIGITAL MARKETING
2. 7Cs OF DIGITAL MARKETING
3. TYPES OF DIGITAL MARKETING
4. OBJECTIVES OF DIGITAL MARKETING
5. TECHNIQUES OF DIGITAL MARKETING
6. ASSETS OF DIGITAL MARKETING
7. BENEFITS OF DIGITAL MARKETING OVER TRADITIONAL MARKETING
8. KEY PERFORMANCE INDICATORS
9. WHO'S USING DIGITAL MARKETING
10. MARKET SHIFTS
11. CAREER OPPORTUNITIES

# DIGITAL MARKETING

**Digital marketing** (also known as **data-driven marketing**) is an umbrella term for the marketing of products or services using digital technologies, mainly on the Internet, but also including mobile phones, display advertising, and any other digital medium.

Digital marketing's development since the 1990s and 2000s has changed the way brands and businesses utilize technology for marketing. As digital platforms are increasingly incorporated into marketing plans and everyday life, and as people use digital devices instead of visiting physical shops, digital marketing campaigns are becoming more prevalent and efficient.

# The 7 C's of Digital Marketing





# The 7 C's of Digital Marketing

CONTENT

**"Great, creative  
storytelling"**

Michael Eisner suggesting the missing part of the internet is imaginative storytelling that exploits interactivity and community. (AdAge, 2008)

# The 7 C's of Digital Marketing- Conversation

R u doing the same for your iPhone **customers**?



R u dealing with this product **revenue threat**?

R u **replying** to this person with the **answer**?

R u sending out your Corporate Sales Team to **win this customer back**?

## The 7 C's of Digital Marketing

**CONVENIENCE**

**ATTENTION IS...**

- a. becoming **increasingly expensive**
- b. becoming increasingly **difficult to hold**

...SO THE TRICK IS TO DELIVER VALUE THROUGH  
MARKETING BY MAKING PEOPLE'S LIVES EASIER

## The 7 C's of Digital Marketing

The ability to create tailored marketing messages or products for individual customers or a group of similar customers, yet **retain the economies of scale** and the capacity of mass marketing or production.



**CUSTOMISATION**



# The 7 C's of Digital Marketing- Collaboration

The screenshot shows the Dell IdeaStorm website. At the top, there is a navigation bar with the Dell logo and links for SHOP, SUPPORT, and COMMUNITY. Below this is a search bar and a secondary navigation bar with links for Home, My Ideas, My Profile, My Alerts, and My Account. The main content area is titled "IdeaStorm" and features a large banner with a glowing lightbulb and the text "IDEASTORM WHERE YOUR IDEAS BEGIN". Below the banner are four buttons: "VIEW" (with a magnifying glass icon), "POST" (with a speech bubble icon), "VOTE" (with a checkmark icon), and "SEE" (with a trophy icon). To the left of the main content is a sidebar with a "Community Home" section and a "Product Store" section. The "Product Store" section lists various Dell products like "Inspiron", "Latitude", and "XPS". The main content area also includes a "Post by" section with a dropdown menu and a "Post" button. Below this is an "Idea List" section with a list of ideas, including one titled "Provide an option for Linux on all of your desktops and notebooks". To the right of the main content is a "Already a member?" section with a login form and a "Sign Up" button. At the bottom right, there is a "General Stats" section with a small bar chart.

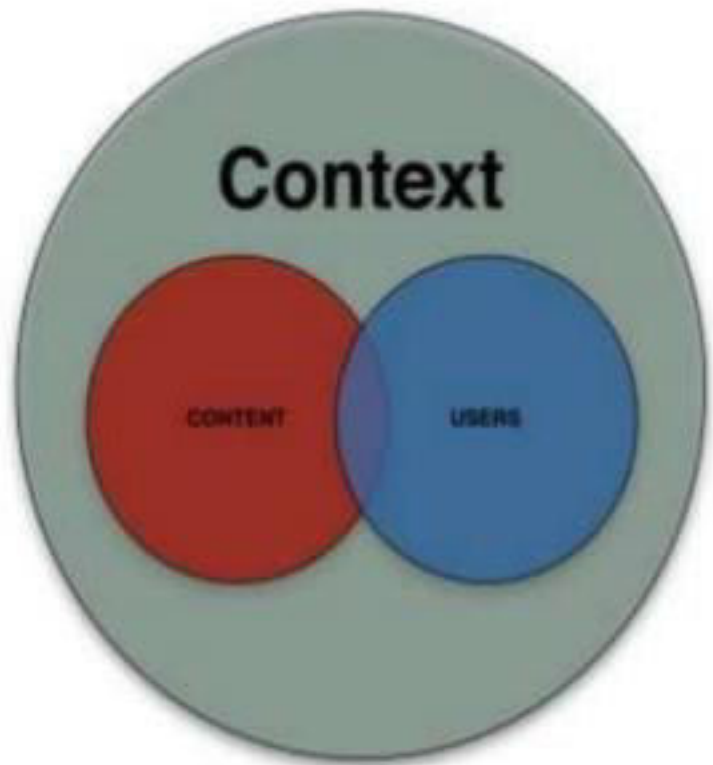
## Dell IdeaStorm Video

Richard Binhammer is a digital marketer at Dell who is responsible for reading blogs and other Web 2.0 media and responding to comments about Dell. Dell IdeaStorm is monitored by Dell employees who ensure that they find and follow up on good ideas. Similar examples are MyStarbucks, RadioShack Invention Lab

# The 7 C's of Digital Marketing

Products are just things and have no intrinsic value. It is only when they are introduced into a situation (or context) of importance to the customer that they become valuable.

It is the context surrounding the product that is important, and it's in these situations that companies are real experts at adding great value.



**CONTEXT**



# The 7 C's of Digital Marketing- Convergence



# TYPES OF DIGITAL MARKETING :-

## 1. DIGITAL ADVERTISING



**DIGITAL ADVERTISING**

## 2. EMAIL MARKETING

Amazon.co.uk: Half Term Deals in Software--Up to 40% off [Inbox](#) | [X](#)

Amazon.co.uk to susan

[show details](#)

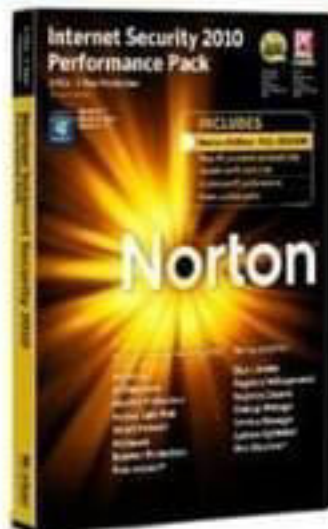
amazon.co.uk

[Books](#) | [Music](#) | [DVD](#) | [PC & Video Games](#) | [Software](#) | [Watches](#) | [Electronics & Photo](#)

[Health & Beauty](#) | [Jewellery](#) | [Home & Garden](#) | [Baby](#) | [Shoes](#) | [Sport & Leisure](#) | [Toys & Games](#)



Software **Half Term Deals** [Shop now](#)



Norton Internet Security 2010 Performance Pack, 1 User, 3 Computers (PC CD)  
~~£58.72~~ **£29.97**

Dear Mrs Susan Hallam,

Whether you're a student, a parent, a teacher or just fancy a bargain, check out Amazon's Software Half Term Deals.

Protect your PC and give it a performance boost with 49% off the Norton Internet Security Performance Pack 2010--plus you can save up to 40% on a wide selection of titles from our digital imaging and media, business and office and education and languages ranges.

Some products boast special student-only pricing, others are just available at fantastic prices--so if you want to learn more, check out some of our best offers below.

[More Half Term Deals from Amazon.co.uk Software](#)

## 3. ONLINE BROCHURES AND BEYOND



Building Homes for over  
40 years

Hughston Homes are a father and son team of Builders who are combining quality construction with innovative design. They are setting the pace for construction in the area. Please explore the subdivisions we have under construction, our plans, and let us know where we can build your next home. We can custom build your home in some subdivisions or you can choose from the designs we already have under construction in others.

As standard practice we provide

- One Year all inclusive Builder Warranty
  - 2-10 Home Warranty covering the systems and structure
- more info on [www.HughstonHomes.com](http://www.HughstonHomes.com)



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Craftsmanship &  
Affordability





- Direct Traffic
- SEO
- Social Media
- Inbound Marketing
- Email Marketing

Organic  
Marketing

- Pay Per Click
- Display Ads
- Video Ads
- Social Media
- Email Marketing

Paid  
Marketing

Reporting

- ORM
- Analytics

Mobile  
Marketing

- Mobile Apps
- Ads in Mobiles



## OBJECTIVES OF DIGITAL MARKETING :

- ✓ Reaching the right audience
- ✓ To engage with your audience
- ✓ To motivate your audience to take action
- ✓ Efficient spending on your campaign
- ✓ Return on investment (ROI)

### **Digital marketing goal**

Digital marketing is about generating sales and/or capturing leads from customers that are searching on the Internet for answers.





# TECHNIQUES OF DIGITAL MARKETING:

1. SEARCH ENGINE OPTIMIZATION (SEO) : It is the process of optimizing your website to 'rank' higher in search engine result pages.

## ADVANTAGE OF SEO:-

- ✓ Your website will be found
- ✓ Improve your competitive edge
- ✓ Expand your customer base and target audience
- ✓ Cost effective
- ✓ Long term standings
- ✓ Free traffic
- ✓ Targeted traffic
- ✓ Higher sales (ROI)
- ✓ Global reach
- ✓ All the results can be measured
- ✓ Better conversion (sales)
- ✓ Pull marketing
- ✓ Increased visibility
- ✓ Your own 24 hour marketing team and shop front



## 2. CONTENT MARKETING :

It is the creation and promotion of content assets for the purpose of generating brand awareness, traffic growth, lead generation, or customers.

### ADVANTAGES OF CONTENT MARKETING:-

1. Content Provides Consistent Value to Your Audience —
2. Content Marketing Produces a Shareable Commodity.
3. Content Fuels Your Online Marketing Channels
4. Content Marketing Establishes You as a Go-To Resource
5. Content Marketing Nurtures Relationships
6. Content Marketing Drives Repeat Business
7. Content Marketing Helps with Long Sales Cycles



### 3. INBOUND MARKETING :

It is the approach for attracting, converting, closing and delighting customers using online content.

#### ADVANTAGES OF INBOUND MARKETING:

#1 – It's cost effective

#2 – It's long lasting

#3 – Reach new markets and audiences

#4 – It's immediate

#5 – Build authority and brand awareness



## 4. PAY PER CLICK (PPC) :

It is a model of internet marketing in which advertisers pay a fee each time one of their ads is clicked.

## ADVANTAGES OF PPC MARKETING:

#1 Fast Results

#2 Measurable results

#3 No dependencies on SEO

#4 Reach the right audience

#5 Take advantage of business opportunities

#6 Brand recognition

#7 Budget Friendly

The screenshot shows a Google search for "buy digital camera". The search results page includes a search bar, navigation tabs (Everything, Images, Videos, Shopping, More), and a list of search results. Several results are highlighted with orange boxes, indicating they are pay-per-click advertisements. A central label "Pay-per-Click (PPC) Adverts" with arrows points to these highlighted ads.

Highlighted ads include:

- Digital Camera Online**: Visit John Lewis online today to see our new digital camera range! Canon Digital Cameras - Olympus Digital Cameras - Samsung Digital Cameras. [www.johnlewis.com/digital-camera](http://www.johnlewis.com/digital-camera)
- UK Digital Cameras - Top brands at low prices. Fast P&P**: Over 100,000 satisfied customers. [ukdigitalcameras.co.uk](http://ukdigitalcameras.co.uk) (20 reviews)
- Digital Cameras at £20.97**: Order Today for Free Delivery and Price Match Promise on all Cameras! [www.buy-digital-camera.com](http://www.buy-digital-camera.com)
- Digital cameras, compare prices and read buying guides... Follow**: Shop for cheap digital cameras on Follow UK. Find the best digital camera products at the best prices and read digital camera reviews and buyer's guides. [www.follow.co.uk](http://www.follow.co.uk) - Cameras - Photography - Latest
- Digital cameras, digital camera reviews and best camera search**: If you are on the site of the type of camera you would like to buy then try Digital Camera Selector will help you to build your short list. ... [www.digitalcameras.co.uk](http://www.digitalcameras.co.uk) - Cameras - Digital Cameras - Canon digital cameras - Prices
- Digital cameras - an easy guide**: If you are looking to buy a digital camera and you are not quite sure where ... [www.cameras.co.uk](http://www.cameras.co.uk) [www.digitalcameras.co.uk](http://www.digitalcameras.co.uk) - Cameras - Digital

Other search results include:

- Digital camera sale**: Buy Digital Camera Sale Now or with Price Match £79.99. UK Online Store. [www.wholesale.co.uk](http://www.wholesale.co.uk)
- Buy New Digital Cameras**: High performance imaging with Sony's new Exmor R™ CMOS sensor. [www.sony.co.uk/CyberWorld](http://www.sony.co.uk/CyberWorld)
- Best Cameras to Buy**: Discount Prices/Free Case. UK stock. 7 Yr Warranty and Free Delivery! [www.cameras.co.uk](http://www.cameras.co.uk)
- Digital Camera Comparison**: See our Digital camera comparison. Free UK Delivery on Amazon Orders. [www.amazon.co.uk](http://www.amazon.co.uk) (4,944 reviews)
- Digital Cameras**: 1 Year Warranty Price Match Promise. [www.cameras.co.uk](http://www.cameras.co.uk) (4,944 reviews)
- Olympus Tough X100 camera**: The perfect Christmas gift for 2010. Waterproof & shockproof. Buy today. [www.olympus.co.uk](http://www.olympus.co.uk)
- Buy Digital Cameras**: Genuine UK Models from Fujifilm. Free Delivery. Free 300 Memory Card. [www.fujifilm.co.uk](http://www.fujifilm.co.uk)
- 112 Price Digital Cameras**



## 5. AFFILIATE MARKETING :

In this process, advertiser receives commission for promoting someone else's products or services on your website.

### ADVANTAGES OF AFFILIATE MARKETING:

1. Partnerships and collaboration
2. Affiliates' site content is relevant
3. More effective use of advertising budget
4. Easy tracking
5. Exposure

The image shows a screenshot of the CouponMom website. The header features the logo "CouponMom! the easiest way to save" and a navigation menu. Below the header, there are several promotional banners and lists of offers. A prominent banner at the bottom right advertises a "Winter Clearance Sale" with "Up to 50% off" on "Crate&Barrel" products. The website layout is clean and organized, with clear calls to action and product images.

**6. NATIVE ADVERTISING :**

It is the primarily content led and featured on a platform alongside other, non paid content.

EXAMPLE: Promoted tweets on twitter,  
Suggested posts on facebook, and  
editorial based content  
recommendations.

**ADVANTAGES OF NATIVE ADVERTISING :**

**1. Native Advertising Captures More Attention**





## 2. Native Advertising Builds Up Relevance



## 3. Native Advertising Empowers Customers



## 7. MARKETING AUTOMATION :

It involves automated marketing actions such as emails, social media and other website actions.

## ADVANTAGES OF MARKETING AUTOMATION :

1. time saver
2. allows you to reach each one of your unique customers
3. makes the most of your staff resources
4. helps you to maintain consistency
5. provides detailed reports
6. saves you money
7. makes it possible for any business to create a consistent brand presence on multiple channels
8. Marketing automation is simple even for people who are not technically inclined

## 8. EMAIL MARKETING :

It is the marketing activity in which emails are used to promote content, discounts and events.

### ADVANTAGES OF EMAIL MARKETING :

1. Email Marketing is Targeted
2. Email Marketing Increases Brand Awareness
3. Email Marketing is Easily Shareable.
4. Email Marketing is Measurable
5. Email Marketing is Cost effective.

## 9. ONLINE PRESS RELEASE (PR) :

It is the earned online coverage with digital publications, blogs, and other content-based websites.

### ADVANTAGES OF ONLINE PRESS RELEASE :

1. Instant Exposure
2. Increased Sales Potential
3. The Chance to Boost the Effectiveness of Your Marketing Plan
4. The Opportunity to Brand Yourself as an Industry Expert
5. Increased Traffic to Your Website
6. Important SEO Benefits
7. A New Opportunity to Reach Your Targeted Audience
8. The Perfect Occasion to Distribute Your Content Across Different Channels



# ASSETS IN DIGITAL MARKETING :

1. YOUR WEBSITE

2. BLOG POSTS

3. EBOOKS AND WHITEPAPERS

4. INFOGRAPHICS

5. INTERACTIVE TOOLS

6. SOCIAL MEDIA CHANNELS

7. EARNED ONLINE COVERAGE

8. ONLINE BROCHURES AND LOOKBOOKS

9. BRANDING ASSETS.

## BENEFITS OF DIGITAL MARKETING OVER TRADITIONAL MARKETING:

- ✓ Puts the consumer in control
- ✓ Provides convenience
- ✓ Increases satisfaction
- ✓ Drives brand loyalty
- ✓ Reduces the selling cycle
- ✓ Reduces the cost of sales
- ✓ Builds your brand
- ✓ Provides targeted results
- ✓ It is measurable \*
- ✓ Cost effective \*



# es and Marketing Concepts

## TRADITIONAL MARKETING

## DIGITAL MARKETING

### Pros

### Cons

- ✓ Communication in Reality
- ✓ Selling happens by meeting
- ✓ Short term results

- ✓ Costly
- ✓ One way
- ✓ Hard to Measure
- ✓ Forced Promotion

### Pros

### Cons

- ✓ Maximum Exposure
- ✓ Community Building
- ✓ Cost effective
- ✓ High Engagement
- ✓ Measurable and refine strategy
- ✓ Viral

- ✓ Time Consuming
- ✓ Not in Reality Communication
- ✓ Not Accessible



Translate

Select Language

Powered by Google Translate

Total Pageviews

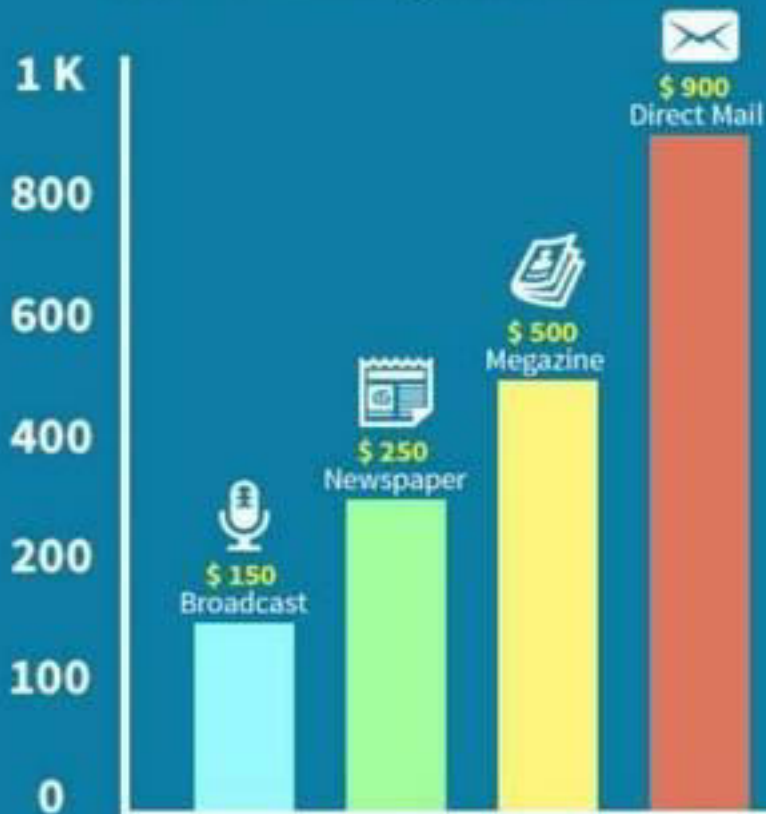
4007

# TRADITIONAL

# VS

# DIGITAL

COST TO REACH 2,000 AUDIENCE



COST TO REACH 2,000 AUDIENCE



DIGITAL MARKETING WINS THIS ONE, HANDS DOWN

# Key Performance Indicators



## Conversion Rates

- Measure of site's effectiveness in persuading visitors to take a desired action.
- Here conversion means sale of products.



## Cost/Conversion/ROI

- Cost of acquiring a customer by which company can measure the success of marketing initiatives.
- ROI and Return on Ad-spend can be calculated.



## Visitor Numbers & 'Stickiness'

User's demographic details such as their location, mindset, demand, and frequency of visits are recorded along-with duration of visit & pages visited.

# Who's Using Digital Marketing?

- Small to Medium Businesses increasingly rely upon online digital marketing techniques and distribution channels
- Digital communications and multimedia technologies are significantly changing the way SMBs :
  - Communicate with their customers
  - Promote products and
  - Market services



# Market Shifts

Original Marketing assumptions are no longer valid

- Web 1.0 (Publishing Model)

Considerable marketing effort required for users to find the message/content.

- Web 1.5 (Indexes and Search)

- Web 2.0 (Subscribe Model)

Visitors seek out and directly grab (or pull) the content via web search.

User determines what they want.

No regulations or opt-in process required.

# Career Opportunities







Thank You