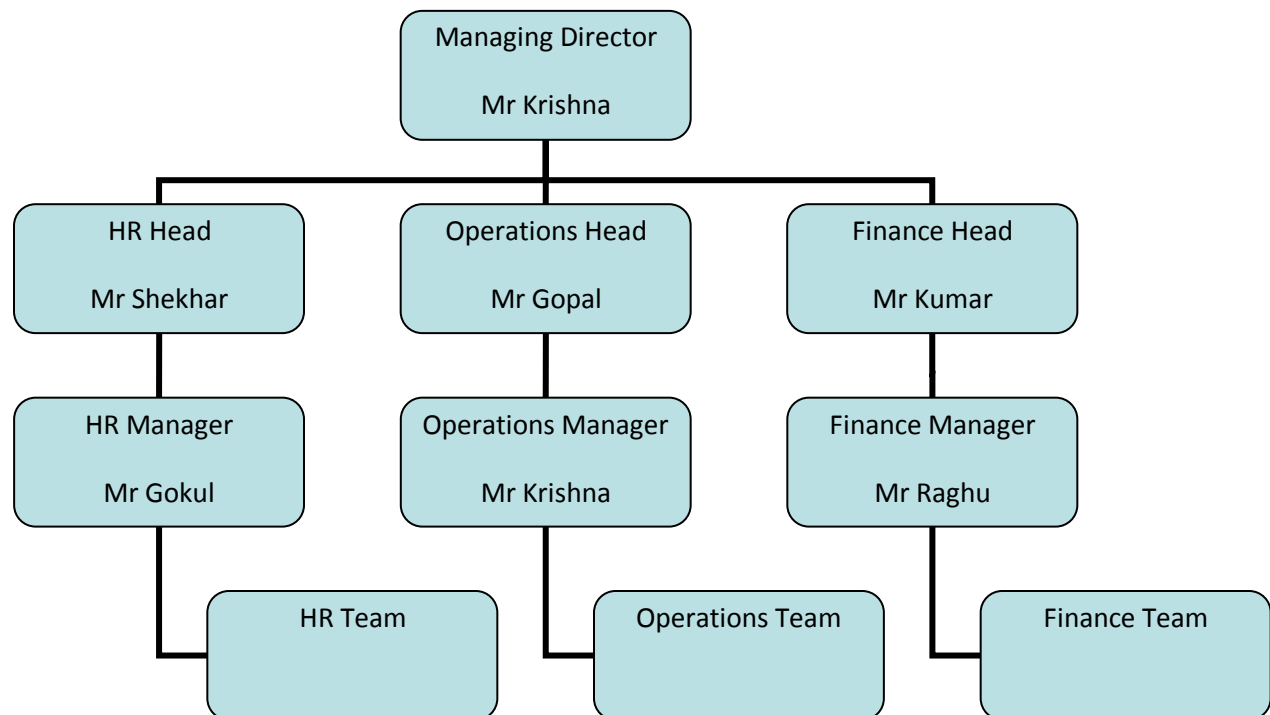


New Employee in the Organization

Shivaji is a new employee in the organization. He is recruited as management trainee and is in training period for the first 3 months. After completion of the training period he will be promoted as Business Analyst. His work for the next three months is to understand the business carried out by the organization. Familiarize with the employees working in different departments of the organization.

Organization has given freedom to him to plan his training period. Shivaji went to HR department and collected the details of the departments in the organization and their heads and the employees who will he be interacting with during the training period. Based on the details collected he has prepared the organizational structure and divided his training period among the departments of the organization.



Shivaji has planned to work with HR Team for the first week to familiarize with the organization policy, working guidelines and to interact with the employees of the organization and remaining training period he equally divided between Operations and Finance teams. On the first day after joining he has received the copy of his appointment order with Salary structure along with work policy and code of conduct of the organization from the HR manager Gokul. First week with HR team has completed. During the period he was made comfortable by the HR team with the friendly behavior of the employees.

Next week Mr Gokul has formally introduced to the Operations head Mr Gopal. Gopal called operations manager Mr Krishna and asked him to guide Shivaji and explain him about day to day operations carried out by the team. Mr Krishna has explained about the work and important data systems which need to be updated on regular basis to keep track of the orders and to know the status of orders. He was

explained how their client engagement team keep good relation with the client which is very important to continue business with them. Shivaji could see the operations team is always busy either in sending offers, taking orders, updating about the orders to clients. There is real time display about the performance of the team about the orders and their execution. The team is very enthusiastic and every time feels proud about their achievement. Shivaji used to attend the telephonic client meetings along with operations team and could hear the appreciations from the client about the due diligence of the operations team. By now Shivaji has understood why this organization is one of the strong competitors in the market. Within no time the training period in the operations team has completed.

It is time to meet finance team. Mr Raghu, Finance Manager is a very cordial person and made shivaji comfortable in the first meeting itself and has asked questions about shivaji's college life and the assignments/project work carried out by shivaji and also shared his experiences in the organization during his two years tenure in the organization. Now and then he uses to ask some questions related finance and Shivaji was able to gain the confidence of Raghu through his answers. Raghu has shared the financial statements, periodic reports that are shared among the team and asked shivaji to go through the documents. Raghu being well known person in the market could be able to get some information about the competitors about which they will be discussed during the team meetings. That information is also shared with Shivaji. Raghu asked shivaji to go through the documents and prepare a report on the observations.

Shivaji got excited to take up the work and started going through the financial statements, reports and the competitor's information. Going through the financial reports of the organization everything looks good and the sales turnover is increasing at a good rate and company is earning decent profits. With the experience he had with the operations team he was very convinced about the growth of the company. Now his eyes went onto see the competitor's information. Shivaji could sense that in all aspects like number of orders, sales turnover, retaining customer base his organization is doing well and giving tough competition to its competitors. After a careful observation of the financial statements of the competitors against his organization the profits are not as good as the sales turnover. He first thought due to high competition in the market his organization is working on low margins. From the website of the competitors he gathered information of the product prices and compared with theirs there is not large difference which can justify the low margins. He started digging deeper into the financial statements. Shivaji found two things odd in the financial statements one is bad debts and interest paid to the banks. These two components of the financial statements are increasing at alarming rate in the recent years and almost doubled in the last five years and impacting the profits. Now he understood the reason why Raghu shared competitor's information also to him. Raghu just wanted to take opinion from the outside person and Shivaji being new to the company, Raghu chose him as he can't trust anybody who is completely outside the company.

Shivaji prepared a report based on his observations and went to meet Raghu. Raghu is also waiting for the report for the last 4 to 5 days since the time he handed over documents to shivaji. Shivaji presented his report and explained about his findings but the Shivaji has no clue about the reason behind it. Shivaji expressed his doubt to Raghu to know why this is happening. Raghu has done some analysis on this before but not shared with anyone except to Finance head. Raghu with a little bit of hesitation started



sharing his observations. Before that Raghu asked Shivaji's opinion on operations team. Based on his experience, he has expressed his view that how enthusiastically they work and praised about their way of client engagement, customer support and client retention.

Raghu with a smile on his face started explaining the reason behind the bad debts and large interests paid to the bank. Raghu is also in the same view about the abilities of operations team and completely agreed with what Shivaji has said.

Actually, for every order taken by the operations team, Finance team has to approve the order for which finance to do some analysis on financial condition of the client. As the process is time taking, management felt that they are missing some orders. Hence they have given liberty to operations team to accept orders upto a certain limit and also putting pressure on the management to increase the limit year by year showing the increased market penetration. However responsibility of payment recovery of those orders is still with Finance team and operations team does not have clue about the default payments. On regular basis Finance team is sharing the details of defaulters but operations team still accepting the orders convincing the management by showing long relationship with those clients. The clients are taking the advantage by delaying the payments, to meet the operational expenses Finance team is depending on the loans from the banks. Sometimes Finance team has to pay extra interest for crossing the loan limit. Operations team performance is measured on the basis of orders and they will be encouraged to take new orders. Most of the times these new orders are placing orders only once and they will drag the payment after repeated reminders and follow ups they will make partial payments requesting the remaining payment to be considered as discount. Previously finance team was able to track them but this type of request has increasing in the recent times and in some cases the parties are shifting their office locations or change in management which is making finance team to difficult to recover the payments. After certain period of time these dues are converting into bad debts. These kinds of defaults are increasing while the operations team is still accepting the requests under the light of increased market penetration.

Shivaji got convinced with explanation given by Raghu and asked Raghu why this information is not shared with the higher management. Every time this issue is in front of the management operations team whose head is right from the inception of the organization convinces management showing the market share of the organization and customer retention figures. But as now the situation is getting out of control Raghu and Finance head are convinced that this is right time to put forward the issue before the management and ask them to take appropriate decision.

Questions for Discussion

1. Discuss the skills displayed by Shivaji in the organization
2. Discuss the readiness of Shivaji to take up the role of Business Analyst
3. Discuss the situation in meeting with higher management when the Finance team put up the issue before them

