

GROWTH MANAGEMENT

Dr. Shobha Dedhia

HOD, Dept. of commerce

Smt. MMP Shah Women's College of Arts and Commerce, Matunga, Mumbai

Abstract

Recent worldwide trends include the information revolution, the explosion of biotechnologies, the globalization of markets, the acceleration of the transition from research to markets, increased awareness of ecological fragility, and growing aversion to technological risk, which results in to growth, and is required to be managed. The present paper is focused on emerged business sectors which are on the path of growth as well have high potentials to grow further. Researcher has arrived at certain factors which boost continuous success.

Bi-monthly Journal

Introduction

For over half a decade now, India has been chanting the demographic mantra with little real progress. Because, with opportunities come challenges. The services sector needs many million knowledge workers. Lack of employability is endemic. India's large labour force has been stubborn in transition. Over 90% of the labour force is inadequately trained. Jobs continue to be created, needing an educated workforce and many in sunrise sub-sectors. We need to recognise new opportunities and prepare the supply side. Growth management is a set of techniques used ensure that as the business grows, there are related services available to meet their demands. These are not necessarily only business services but other demands such as the protection of natural spaces, sufficient and affordable housing, delivery of utilities, preservation

of buildings and places of historical value, and sufficient places for the conduct of business are also considered.

Review Of Literature

Internal growth is that which grows without joining with another business. It could build new premises. 'take on' more employees whereas External growth has some involvement with another business) Merger, where two firms join together and have equal ownership e.g. Lloyds and TSB merge to create Lloyds TSB bank) Takeover where one firm takes over another firm and has the ownership of that business. It is probably against the wishes of the other business. E.g. Lloyds could takeover TSB. It would probably still be called Lloyds but it would also own TSB.

Benefits of Growth:

- Increased profits
- Increased market share
- Gain new ideas from the other business
- Avoid having to compete with the other business
- Gain from economies of scale (page)
- The new business may not need all of the workers.

Problems of Growth:

To the businesses-

- There may be two sets of managers who are unable to agree on the best direction for the company.
- The businesses may have different objectives and targets
- It costs a lot of money to merge with or takeover another business.

To customers-

- Possibly less choice in the market and possibly higher prices to pay.

To workers-

- Possible job losses and job insecurity

Factors determining sustainable growth:

Many business owners think success lies in their ability to maximize sales growth. They know profits are tied to sales, so they believe that if they maximize sales, they'll maximize profits. If a company is unable or unwilling to sell equity (which is true for most privately-held businesses), then its sustainable growth rate depends on the level of owner investment, how many assets it can carry for a given level of owner's equity, how well it uses those assets to generate sales and how much profit it makes on each sale. The only way for a company to increase its sustainable rate of sales growth is to increase one or more of these items. Business Measurement-In the world around us there are some businesses which are small and some are big. But how do we categorize these businesses as big or small.

We can consider the following factors:

The number of employees, business which use more machinery and technology i.e. capital intensive may have few employees but they still might be big. Example Microsoft has less employees but still it the biggest business on earth.

The amount of capital invested A business which might not use a lot of investment in machinery but and involves less investment may still be big. Take the example of software companies and consultancy firms like McKenzie & Co.

The sales turnover A business may be going through a bad phase and may not have huge sales does it make the business small?

Market capitalisation markets are very volatile and share prices change every day does it alter the size of the business every day?

Market share a business may not be a market leader but still may be huge whereas if the market is itself very small, a major market share won't make a business big.

So while deciding the size of business as big or small a combination of factors needs to be considered.

Research Findings

Given below are the sectors which have shown high growth and having still high potentials to grow.

PHARMA SECTOR

The recent policy implemented by the National Pharmaceutical Pricing Authority will hit the revenue of domestic companies in the sector marginally this financial year. According to industry estimates, the sector's revenue would increase eight-10 per cent in 2013-14, against 12 per cent in 2012-13. However, top companies are optimistic about bouncing back from the revenue losses and are expecting better revenue growth in the next couple of quarters. Of the top 10 companies, which generated 31 per cent of the Rs 72,000-crore Indian pharma market, the growth for five — Sun Pharma, Cipla, Lupin, Dr Reddy's and Merck Ltd — was more than the market growth. A Lupin spokesperson said, "While the implementation of the NPPA and the ensuing trade issues had resulted in a slowdown, we expect the industry to bounce back to double-digit growth through the next few quarters. We are seeing a recovery. Lupin's India formulation business grew nine per cent during the second quarter of 2013-14. We don't see any reason why we wouldn't be back to 15-20 per cent levels by the next couple of quarters."

INFORMATION TECHNOLOGY

The IT sector has been India's sunshine sector for quite some time now. The industry has contributed considerably to changing India's image from a slow developing economy to a global player in providing world class technology solutions. According to the IBEF (India Brand Equity Foundation) figures, the Indian IT industry is set to touch \$225 billion by 2020. Industry experts and NASSCOM say the Indian IT workforce will touch 30 million by 2020, becoming the highest sector employer. This will be coupled with steady increase in pay in a sector already offering a high base. The outsourcing industry too is looking towards India and is expected to be a \$2.5 billion industry in the next 24 months.

TELECOM

India's telecom story is only getting better. According to Zinnov estimates, India already has nearly 850 million mobile phone subscribers, with a 15% smart phone penetration. All this points to a penetration that is fuelling the growth of enterprise mobility in India, which will lead to significant employment growth. The Telecom Regulatory Authority of India (TRAI) too is targeting a 10-fold increase in broadband subscribers to 100 million by 2014. Outsourcing revenues from the telecom sector, as per E&Y, are set to grow at a CAGR of 31% to nearly \$2 billion in 2012. India today is at a stage in telecom growth that probably America was 30 years ago. Our mobile and Internet penetration has to increase further, resulting in a new era in enterprise mobility. India is the world's second-largest telecommunications market. The telecom infrastructure in India is expected to increase at a compound annual growth rate (CAGR) of 20 per cent during the period 2008–2015 to reach 571,000 towers in 2015.

HEALTHCARE

There are clear indications that healthcare is going to be a major sector that stimulates economic growth and contribute to employment. Over 40 million new jobs are expected to be generated by 2020, as per a report titled 'India's New Opportunities-2020' by the All India Management Association, Boston Consulting Group and the Confederation of Indian Industries (CII). The Indian healthcare industry also has advantages over other developing countries in becoming a global hub for medical tourism. The medical treatment and educational services in India are a fraction of the cost in developed countries. While we may lag in molecule development and drug patents, an increasing disposable income has led to a strong domestic market potential in India. This will result in significant employment generation across various functions, such as sales, marketing, HR, IT and operations, within the industry.

INFRASTRUCTURE

India's infrastructure growth has been exponential over the past decade. Today, we are the fourth largest and probably the second-fastest growing economy, with infrastructure being one of the cornerstones. The infrastructure industry in India is highly fragmented and hence difficult to gauge its exact size and the jobs it generates each year in absolute terms. However, be

it roads and highways, railways, aviation, shipping, energy, power or oil & gas, the Indian government and the various state governments seem to making rapid progress. This has led to significant employment generation, though a majority of it is still in the unorganised sector. Over the next 10 years, the infrastructure sector in India will need to continue its growth momentum and is likely to maintain a growth rate anywhere between 7-10%, a very healthy sign.

RETAIL

Over the past few months, the retail sector has grabbed headlines with talks of 100% FDI in single brand retail, which is currently capped at 51%. While the outcome is still undecided, the opening up of India's retail will create a stronger, organised industry that will help in generating employment. Today, only a small part of retail in India is organised. Despite this, it is estimated that the sector in India is worth more than \$400 billion, with domestic and international players planning to expand across the country. Industry leaders predict that the next phase of growth will emerge from rural markets. There are projections of the workforce doubling by 2015, from the current five lakhs in both organised and unorganised sector. Accounting for around 14-15 per cent of the gross domestic product (GDP), the Indian retail industry is estimated to be worth around US\$ 500 billion currently. Home to one of the top five retail markets in the world, India offers immense scope of growth and opportunities in this arena. As of now, almost 90 per cent of the Indian retail sector is controlled by tiny family-run shops i.e. the unorganised segment. Thus, organised retailers have a lot of room for further penetration in this flourishing economy. In 2010, larger format convenience stores and supermarkets accounted for about 4 per cent of the industry, and these were present only in large urban centres. Now the trend is changing, and such concepts are mushrooming in smaller cities and towns as well. Organised retail segment is expanding at 20 per cent a year, driven by the emergence of shopping centers and malls and growing middle class.

SUGGESTIONS AND CONCLUSION

The prosperity of the business can outpace the ability of the business to maintain that success.

Suggestions to grow organizational set-up

1. Create a Scalable Management Model

As your business grows you must develop scalable management and quality control systems. In the beginning management and quality control is easy. Perhaps your business begins only as a solo entrepreneurial endeavor or one among just a few people. Everyone has a defined role and everyone knows what everyone else's role in the company is. Nonetheless, as your business grows and duties become more segmented among new employees, a management structure must be put in place to ensure accountability against established benchmarks as well as to make sure quality control of your goods and services remains constant. In this regard, each position's duties and responsibilities should be defined in writing. An organizational chart should be constructed and maintained which clearly defines who is responsible for what, who reports to whom, on what subjects, and how often. If properly segmented over time you will see your organizational structure begin to resemble a pyramid with the CEO on top and increasingly widening rows of persons with specific defined roles there under.

2. Define a Quality Control System

As your company grows you must make sure that the quality of your goods or services is maintained despite its increasing size. As such, you must determine what elements should exist in a quality control system and then assign the responsibility of maintaining that quality to someone within your management model. For instance, let's say that you run a call center that, in the early days, existed with only a handful of people. At the beginning it was easy to make sure that everyone used the same scripts and delivered the same quality of customer service for your inbound clients. Yet as you grew it became less clear who was in charge of maintaining that level of customer service on the phones and, as a result, a systemic problem has now developed within your organization. Not all of your sales team are using the same scripts. There is inconsistency in call backs of inbound customers. As a result, your sales and margins begin to slip. To combat this you must create a quality control system to make sure your systems are being performed on a daily basis and assign a manager in your organization to oversee the same. For every business quality control will differ. If you operate a call center those benchmarks may be overall sales as measured against knowledge of the product, responsiveness, etc. For example, a factory may need to make sure that the work being performed by assembly workers is consistent so that each product leaving

their station is assembled perfectly, or within measured perfection, every time. But without a quality control system unique to your business the quality of your product will flounder over time.

3. Execute the Systems 100 Percent of the Time

Now that you have created a scalable management model with a defined quality control system it's time to make sure it is executed to perfection. Each person within the management and quality control team by now should know their respective duties and responsibilities. Even so, you must ensure that those systems and assignments are executed without deviation 100 percent of the time. To this end, especially for small and mid-sized businesses, we have found that it is very effective to use daily and weekly checklists to make sure individuals are performing their assigned tasks in a consistent manner.

4. Listen to the Numbers. Numbers Do Not Lie.

Lastly, even when you set up the systems and grow management and quality control systems in pace with your organization's growth you must still always be mindful of the numbers. Numbers don't lie. If used properly, they will tell you where additional oversight or changes are needed within your organization to increase efficiency, sales, and quality. Returning to our opening discussion, let's say sales are great. They are growing at an unbelievable pace. Yet your accounting department tells you something is amiss. Something is wrong. Your expenses are outpacing your revenue growth. The numbers don't lie and they will tell you more about the health of your business than anything else.

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