



TILAK MAHARASHTRA VIDYAPEETH, PUNE 411037

**“ A STUDY OF FINANCIAL STRATEGIES IN SELECT
LISTED & OTHER ENGINEERING COMPANIES IN &
AROUND PUNE - MUMBAI DURING THE FINANCIAL
YEARS:- 2007-08 TO 2011-12 ”**

**A thesis submitted to
Tilak Maharashtra Vidyapeeth, Pune.**

For the Degree of Doctor of Philosophy (Ph.D.)

Under the Faculty of Management

**Submitted By
Prof. Manohar V. Kale.**

**Under the Guidance of
Dr. Yashvant S. Vaishampayan.**

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Undertaking

I Manohar V. Kale, am the Ph. D Scholar of the Tilak Maharashtra Vidyapeeth from the Management Faculty. The Thesis entitled **“A Study of Financial Strategies in select listed & other Engineering Companies in & around Pune-Mumbai during the Financial Year: 2007-08 to 2011-12 ”** under the supervision of Dr. Yashwant S. Vaishampayans, solemnly affirm that the thesis submitted by me is my own work. I have not copied it from any source. I have gone through extensive review of literature of the related- published / unpublished research work and the use of such references made, have been acknowledged in my thesis. The title and the content of research are original.

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CERTIFICATE OF THE SUPERVISOR

It is certified that work entitled **“A Study of Financial Strategies in select listed & other Engineering Companies in & around Pune-Mumbai during the Financial Year: 2007-08 to 2011-12.”** is an original research work done by Mr. Manohar V. Kale under my supervision for the degree of Doctor of Philosophy , to be awarded by the Management Faculty of Tilak Maharashtra Vidyapeeth, Pune.

To the best of my knowledge, this thesis:-

- 1) Embodies the work of the candidate himself /herself.
- 2) Has duly been completed.
- 3) Fulfils the requirements of the ordinance related to Ph. D. degree of the TMV.
- 4) Is up to the standard in respect of both the contents and the language for being referred to by the examiner.

Signature of the Supervisor: -

Place: - Pune.

Date: -August 4, 2020.

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Date: - August 4, 2020

Manohar V. Kale

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CHAPTER 1: INTRODUCTION

Globalization, cut throat competition & cost escalation among the world wide industrial units, different prevailing internal & external factors like technology, political & social conditions, statutory & legal compliance, labour situations etc. has made it compulsory for every industry to opt for cost effective and qualitative solutions to sustain and grow in today's complex & complicated current market situations. During the process of developing competitive advantage and cost-effective products, organizations all over the world, mainly face the following situations: - 1) because of the globalization factor, intense competition which makes the survival a crucial factor. 2) Every business organization has to go for multi-products manufacturing & marketing strategies, to obtain a sustainable profitability & margins. 3) every business organization has to adopt effective business strategies & has to go for consistent improvement in the same for the Purpose of achieving its corporate goals & objectives.

To accomplish all the above mentioned objectives logically & in a scientific manner, every professional company is required to follow an efficient & effective strategic financial management techniques & practices in the form of different accounting, financial, controlling & reporting systems & controls which are not only individually suitable & useful as effective strategic financial management technique and for the overall efficient operations of the unit but also are globally comparable & recognised. This is more applicable to the multinational companies which are having their unique nature of their overall Global operations & challenges which take place in their different units located in different countries, all over the Globe. These companies face different kind of technological, political, social, market related, labour related, legal, statutory, financial, economical situations at different locations in varied countries & are required to face them successfully, to overcome them for successful running of their all industrial units working in different environments & situations in different countries, in a professional, efficient & effective manner. These multinational companies make effective use of different strategic financial management techniques & practices like Budgetary Control, SOX Reporting, Accounting Ratios, Different GAAP Analysis techniques, I.F.R.S. Techniques, different domestic & international Accounting Standards, Transfer Pricing Technique, leverage analysis, cash & fund flow analysis & management, verification & audit processes etc. to make their overall planning & decision making process more practical & logical, to derive the maximum benefits & advantages for the parent company & all their respective individual group companies located in the different locations & countries of the Globe. The proper use of computer technology particularly that of SAP / ERP Systems has helped these industrial units, further & made their overall job easier & more practical.

The modern businesses, corporates and industries are governed by technical & economic structures. There is a huge amount of investments made in these businesses & industries. The concept of day to day strategic planning is becoming more & more important & vital. The present

business & corporate world is more competitive and is subject to daily changes in technological, social, political, economic, marketing, financial, management environments. The day to day changes prove to be threats & challenges for the corporates & businesses, unless those changes are forecasted & expected, well in advance and the necessary counter actions & the required solutions are planned & executed so that there will be no direct heat & loss to the existing business, industry & corporate.

To achieve the goals & objectives of the business organization, its top management will try to finalize the action plan from among the various available alternatives. The process of formulating the organizational objectives & achieving them successfully is called 'Strategic Management', where a particular strategy will act as a mean to fulfil the organizational objectives. Strategy is the grand design or an overall 'plan' where by organization will use all its available resources & will achieve the defined business goals & objectives. Strategies are nothing but a general program of actions and a well-defined deployment of emphasis and resources to achieve all the overall business objectives. If there is a proper relationship & correlation between its defined objectives & strategies, the organization will be termed as operationally effective & efficient. A well-defined strategy will help the organization to face, successfully during its troubled times with proper & logical actions. In the absence of a proper strategy, the organization will be like a motor car without a steering wheel. It is like a person, without any proper direction to go to. An appropriate business strategy will always lead the business enterprise to the success & thus will certainly avoid the situation of the business failure & will also, assist the business enterprise to conclude all its defined goals in an efficient & successful manner.

Origin of the word 'strategy' as a management terminology is from the field of military services where it was used as 'the forces against an enemy to win a war.' The word strategy is derived from Greek word, 'strategos' meaning 'a general ship.' In context with the Military Services, the general meaning of the word strategy is 'to fight in war.'

The definition of the word strategy in English dictionary is "the art of so moving or disposing the instrument of warfare as to impose upon enemy, the place, time and conditions for fighting by one self"

In management literature, the meaning of the word strategy is stated as 'strategy is organization's pattern of response to its environment over a period of time, to achieve its goals and mission.'

The management term strategy is also known as a unified, comprehensive and integrated plan relating to the strategic advantages of the firm, to the challenges of the environment.

To conclude, in simple & short terms, the term strategy can be referred to as management's plan for achieving its objectives. The term mainly involves the determination and evaluation of different alternative paths for an already established mission or objective and finally, indicates a final choice of the best alternative, to be adopted, among the available ones.

Following are the basic & major aspects of the nature of the word strategy: -

- Strategy is a major course of action by which an organization reacts itself to its environment mainly the external factors, to execute all actions required, to meet the goals & objectives of the business entity.
- Strategy is the combination of varied internal and external environment factors. A specific strategy is set by the organization to meet its business opportunities and threats by matching of its external & internal environment related factors.
- Strategy is the mixture of different actions, to face various specific conditions, to overcome variety of business problems faced by the organization or to meet the defined end. The required measures vary as per the varied situations, as experienced by the organization.
- Because of its reliance on different environment related factors, strategy may apply opposite directions going actions. These contradictory actions by the organization at the same time OR in a phased manner.
- Normally, strategy is related to the future period. Generally, strategy is worked out for the new type of situations faced by the organization.
- Strategy goes hand in hand with well-defined internal systems and parameters so that the organization can execute them in a proper manner.
- Strategy works as the base for the logical & scientific thinking in the organization and for the timely & accurate actions by the management of an organization.

The basic objective of any business strategy is to fix and convey a proper & ideal image of the organization by defining the main business goals & objectives and the relevant policies to meet them. Generally, the business Strategy is related to the following of proper direction and

Effective allocation of the scarce resources of an organization. An ideal strategy always ensures a timely & accurate management action and thinking. It ensures that a professional approach is taken by the organization and certainly, helps in facing the variety of difficulties by the organization mainly, because of day to day factors of the internal & external business environments.

Strategy, according to a survey conducted in 1974, includes the determination and evaluation of alternative paths to an already established mission or objectives and eventually, choice of the alternative to be adopted. Strategy is characterized by four important aspects:

Following are the 4 important features of any Strategy, any business organization would like to go for: -

- Long term objectives
- Competitive Advantage
- Vector
- Synergy

The Management & Finance experts have listed down the following ideal & logical Components of any Business Strategy, the enterprise is planning for the execution: -

1) Strategic Intent. 2) Vision. 3) Mission Statement. 4) Goals & Objectives.

Different working levels of strategies in any business enterprise: -

The business enterprise which wants to introduce the strategies in the organization or

Improve upon the existing ones, have to plan & do the overall exercise mainly, at the

Following 3 levels of an organization: -

- a. Corporate level:- here, the strategy covers the full working & functional areas of an organization.
- b. Business level:- here, the main stress is on the competencies of an organization, in comparison with the major competitors of the organization. The major strengths &

Weaknesses of an organization in comparison with that of the competitors are worked out. Similarly, the internal & external environmental factors of an organization are critically studied with their implications on the overall working of the organization is also, observed & the ways, to improve them upon, if required, are planned & worked out.

- c. Functional level: -the strategies at this level are decided based on the strategies already, finalized mainly, at the Corporate & Business levels. Functional level strategies are meant for the overall day to day functioning in the major functional areas like Finance, Marketing, Production, H.R., I.T. etc. The functional level strategies are mainly, in the form of action plans, budgets, missions, goals & objectives for the individual functional area. To implement all the required business strategies in any organization in a professional & logical manner, at all the above-mentioned levels, it is very important that there has to be a proper coordination & communication among all the executives & staff members working at these 3 levels of the business enterprise.

SWOT and organization capability analysis

Before any organization goes for the introduction of the new strategies or the improvement in the existing ones, at its 3 levels i.e. Corporate, Business & Functional levels; it is advisable that the proper SWOT & organization capability analysis exercise is being done in a critical & detailed manner.

SWOT analysis is nothing but a fair & un-biased evaluation & study of the strengths & weaknesses of the organization, in comparison with the major competitors of the firm. The organization also, studies critically, the opportunities & threats to be faced by it in current situation & in near future. A proper SWOT & organization capability analysis will help the organization in proper & professional formulation of the required strategies which will assist the organization to have the required efficiency & effectiveness in its day to day working and to achieve all its defined objectives & goals.

Strengths & weaknesses are the internal environmental factors of an organization which go on changing on day to day basis & so are to be monitored on regular basis. The business opportunities & threats are the external environment related factors which are mainly depend upon various social, industrial, market, political, financial, economic, technological & other global situations which are again ever changing & thus are to be continuously observed &

Studied, to properly administer & control them so that day to day effective operational working of an organization will not get hampered.

Major Characteristics of the term “Strategy “

Strategy is nothing but an action plan decided & set up by the management of an Organization, to achieve its present & future goals & objectives. It requires a detailed Planning & Proper coordination & integration among all the business activities of all The levels of the Management of an organization, namely top, middle & low and also, Requires a Proper utilization of all the required scarce resources of the enterprise.

While formulating any particular Strategy for the organization, the management has to Consider that for every action taken as per the defined strategy, there is bound to be a Counter reactions from all those who are going to be affected by the strategy & the Related actions e.g. From Customers, Employees, Suppliers, Competitors etc.

Strategy is also, termed as: 1) knowing the objectives of an organization, 2) the un-certain Business related events, 3) expected behaviour of all those who are directly or indirectly Concerned with the business enterprise. It is nothing but the overall layout of the Various business-related policies & Plans to fulfil the business goals & the Contribution, the business entity would like to make to the Share-Holders, Customers & the Society.

Following are the major & the main features of any Strategy: -

1. Strategy is the perfect mixture of different important sub-parts of the peculiar Situation for which the Strategy is being formulated & the right study & analysis of their inter-related values & rankings.
2. Generally, Strategies are set for the business organizations so that it will be easy for the business organization to face external environmental factors rather than the internal environmental factors.

3. Strategy is related to a particular situation, to solve a peculiar issue & to attain the specific goal of the business organization. As situations, issues & goals vary; the required approach & strategy also, varies.
4. As the situation for which the strategy is being formulated, changes, the approach & Action set in formulating the strategy also, changes thus strategy is designed for the sake of particular situation.
5. Strategy is always meant for the future new & changed situations.
6. A particular formulated Strategy & the related decisions taken generally, shape the Long term future planning & controlling process of an organization
7. The process of strategic planning & decisions making is generally, performed to give The varied benefits to the organization by fulfilling the organizational goals in a Professional manner.
8. To define & to execute a particular strategy for an organization is like working out the activities wise lay out of an organization, it is like fixing a peculiar approach to conduct the actions of an organization & to define its scope & layout, in the process, the management of an organization clearly demarks the outer lines of an organization in the form of its approaches & actions, to be executed in the organization.
9. Strategy is nothing but the balancing of the various actions & approaches, the Organization adopts with the various basic elements of the external & internal Environments, the organization faces, to make the day to day working & operations of an organization, more & more efficient & effective.

Strategy is normally; set up to face the general environmental threats which the organization comes across & the various business opportunities which the organization enjoys. To take care of all the business threats & opportunities properly is largely depend on the availability of the various resources with the organization. The necessary resources should be of proper quality, should be available in time & in proper quantity. If the organization lacks all the above-mentioned resources related conditions, it becomes difficult for an organization to implement the right kind of strategies & also, to take the right type of decisions.

If the organization adopts proper Strategies with professional decisions, it will certainly improve the quality of its day to day operational decisions & also, will reduce its numbers which is ultimately proves to be more beneficial for an organization’.

The nature of the business strategies, any enterprise will follow & the style of making business decisions, it makes; is also, largely depend on the culture & values the management of an enterprise respects & follows. Many times, the strategy, any business formulates & the decision any business makes will certainly, reflects the above-mentioned cultural values & beliefs, the owners i.e. the Share-Holders of the business enterprise believes in. Normally, the general expectation of the share-holders of the enterprise also, decides the nature of the business strategies & the general approaches the business unit will follow.

To plan out the business strategies & to take the necessary business decisions, based on them is the most difficult & complex functional areas which really test the ability & capability of the top management team members of an organization. This complexity mainly, arises because of the following 3 major related features of the term Strategy:-

- 1) Any particular strategy & the related decisions are decided in the un-certain business atmosphere. The management does not have any strong & clear base available to finalize the required strategy & take the decision. Generally, the strategies are based upon the judgements & the opinions of the management & other parties, involved.
- 2) To formulate the correct & proper strategy, the management is required to have proper control & coordination over all the major functional areas of the organization like Finance, Production, Purchases, H.R., Legal, Marketing etc. All the heads of these functional areas have got their own functional goals & objectives which further make it more difficult to integrate the overall function of fixing the necessary strategy & to take the correct business decision.
- 3) To decide the required business strategy & to take the required business decision often requires to effect the basic & primary changes in the overall functional

Management of the business entity. This is a very time consuming & difficult business process which requires a lot of expertise, skills, experience & patience.

These complex features of the strategic planning & its proper execution make it a specialized area of management & also distinguished it from other areas of Management.

Basic Features of Strategy are as under: -

1. Strategy is an important tool with any business enterprise as with its guidance, the enterprise is in a better position to act with an un-foreseen situations & it is very difficult to apply judgements & opinions, to resolve these un-expected situations in long term future.
2. Strategy is applied to act for the long period actions but not for day to day operational events e.g. New Production Techniques, New Raw Material dis-covered, probability of innovations or new products, new methods of productions, or new markets to be developed in future etc.
3. Strategy is applied to observe & study the expected re-actions / feedbacks from customers and competitors. It is also used to study the employee re-actions, feedbacks & behaviour for the various policies & procedures adopted by an organization. Strategy is a well-defined roadmap of an organization.

To conclude, the Strategy is nothing but a statement of vision, direction & mission of the business organization. The major benefits the organization enjoy by adopting particular strategies are that the overall competency & efficiency of an organization is further strengthened as compared to its competitors & thus by bridging the gap between “the ideal, proper & better position of an organization “& “the existing good position of an organization “

In the present Professional & Competitive Corporate world (including Domestic Indian Companies & Multi-National Companies), different ‘Strategic Financial & Management

Techniques 'are being applied in all the important functional areas of the Organization like in 1) Production. 2) Marketing. 3) Human Resources & Development. 4) Purchases.5) Finance & Accounts. 6) Legal & Compliance.7) Procurement. 8) Taxation. 9) Information Technology etc. to optimize the overall day-to-day operational efficiency & effectiveness, to achieve the pre-defined Corporate Goals & Objectives set by the 'Top Management 'of the business enterprise. Considering the importance of the subject, the Researcher has decided to study & re-view the various major 'Financial & Management Business Strategies ', which are mentioned in detail in all the next chapters of the Thesis.

CHAPTER No.2:- Literature Review

1) Corporate Financial Strategy: -

(University of Massachusetts Boston Scholar Works at UMass Boston. 2-1-2012.)

(Arindam Bandopadhyaya, University of Massachusetts Boston, arindam.bandopadhyaya@umb.edu.)

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(Bandopadhyaya, KristenCallahan, Shin, & University of Massachusetts, 01-01-2012)

The growth of any business depends on many factors. Strong business leadership is essential, product demand is critical, and careful financial & management planning is imperative. In today's complex economic environment, it is more important than ever for organizations to examine both assets and liabilities of an organization, incorporate budget related details into a feasible plan, choose the right type of investments, understand their financial implications on business, and validate their return on capital employed. According to the Senior Vice President at Ventana Research, "An organization's financial planning process must provide executives and management across the entire organization with the ability to plan investments and budgets that fit their corporate financial & management business strategy. Moreover, it's also important that they are able to change these business plans and budgets quickly and easily, to adapt when business internal & external conditions change.

Capital structure policies are put in place in an effort to maximize shareholders' returns. Managers do this by maximizing cash flows and minimizing the cost of capital. The calculation of the cost of capital is most important because it represents an important parameter in firm's capital budgeting decisions. According to the Census Bureau, capital expenditures on property and equipment in 2010 were over \$1 trillion for U.S. non-farm businesses. Without a question, the cost of capital estimate was a key determinant in these spending decisions. Miscalculating the cost of capital can lead a firm to reject a potentially valuable project if the cost of capital is overestimated, OR accept a project that fails to meet investors required & expected return if the cost of capital is underestimated. Here we mainly look at the considerations in estimating the cost of capital.

Firms that seemed to be under-leveraged shared common characteristics. Under-leveraged firms were typically larger, more mature, and more profitable than those that were not. They also had large intangible assets, greater growth opportunities, and higher earnings volatility. These firms may also have other immeasurable characteristics that explain the apparent under-leveraged position, including higher agency costs than otherwise of the comparable firms. Agency costs can reflect a tendency for managers to engage in risky projects OR to reject potentially profitable projects as debt increases in the capital structure

The components of the cost of capital include the required returns on equity and debt, and the relative weightage of equity and debt proportion in the total capital structure. While there are different types of equity and debt capitals (e.g., preference equity and convertible debt), we focus

on common shares and straight debt capital. Many times, off-balance sheet funding items are also a good source of capital for the business enterprise.

In corporate financial strategy, the capital structure policy requires thoughtful consideration. A firm's choice of capital structure can help an ailing business through its tough times OR can mean financial ruin for once promising & successful businesses organization. The academic literature has come closer in identifying the firm's optimal capital structure. However, empirical evidence suggests that for various reasons, many firms operate with sub-optimal level of capital structures. This could be due to behavioral influences that cause firms to have a bias against debt, OR market fluctuations that cause managers to move away from targets. In the coming years, there will likely be various new financial innovations that will provide different funding sources for the various business ventures, thus more progress, development and refinement in business capital structure theory will be needed & expected.

2) "Research on Financial Strategy for Firms on the Growth Stage Based on EVA"

- 1) Xie Xiaoxia, Doctor of Management, Lecturer, Accounting Department, School of Economics and Management, BeiHang University, Beijing, P.R.China 100191
- 2) Li Jin, 2 Graduate Student, Accounting Department, School of Economics and Management, BeiHang University, Bei. P.R.China 100191.
- 3) (Xie Xiaoxia & Li Jin-BeiHang University, October 31, 2016)

As China got associated with WTO, the changes in economic & financial structures, the improvement in high-technology, the growth of various kinds of organizations is a vital feature in China's economic situation, especially for its various enterprises, which are in the development phase. Slowly & steadily, those can be the main part & parcel of the economic development. So, the growth of these developing firms will have a major positive effect on the national economy. As per the statistical data pertaining to the reasons of the enterprises' failure, from People's Bank of China, about 47.3% of the organizations' failures are because of the different kinds of adverse financial & management factors. Since, the majority of the growing firms lack proper financial & management strategies, they all experience financial difficulties

in their day to day operations & production process. e.g. if they procure more quantum of funds, they un-necessarily have to face heavy corporate debt & interest burden; if they decide inefficient investments related decisions, they face the adverse economic situations & distribute unreasonable amount of dividends where by Investors lose their investing interests & finally, all these factors will result in to the organizations' total failure, Thus there is an urgent need for all these growing organizations, to formulate the required financial & management strategies. In the meantime, finance is not the only peculiar difficulty for these growing firms but also the scarcity of all other important resources & their timely availability is also, becoming a major problem. Availing all these required scarce resources in the required quantity is also becoming the major hurdle & to resolve it requires proper financial & management strategies for these growing organizations. To conclude, every growing organization has to set up its own financial & management related strategies for its self-development & growth.

All these growing & developing organizations are slowly & steadily, establishing their own financial & management strategies in the overall process of strategic management.

Financial & management strategies play an important role in the process of setting up of the overall functional strategies of all these organizations. So all these organizations first set up their proper financial & management strategies which will help the overall growth & development of these organizations after considering both the internal & external environment factors.

Because of the peculiar features of all these developing & growing organizations, research in the area of the proper financial & management strategies for these growing organizations has become an urgent need of an hour.

This research paper mainly, pays attention to the proper usage of the required financial & management strategies for these developing organizations & also, the proper type of financial & management strategies, these organizations should go for, which will increase the overall worth & value of them in an optimal manner.

3) "STRATEGIC PLANNING AND FINANCIAL PERFORMANCE: MORE EVIDENCE"

NOEL CAPON, Graduate School of Business, Columbia University.

JOHN U. FARLEY, the Joseph H. Lauder Institute and The Wharton School, University of Pennsylvania.

JAMES M.HULBERT, Graduate School of Business, Columbia University.

(Noel Capon-Graduate Business School, January 1,1994)

The impact of good strategic planning & decision making on financial & management performance of a Company is very much evident, this was proved & assured in various corporate related cases. The researcher is trying to study the correlation among the ideal corporate strategic planning, a good corporate performance and continuous healthy survival of a corporate over a longer period. The researcher comes out with an overall conclusion that a small but positive relationship between the 2 important factors of strategic planning and performance exists and persists.

Whereas early research suggested a positive relationship between planning and performance, later research was less reassuring, and that the overall effect of these 2 situations was extremely negative. Though earlier concluded that there is a direct relationship between the planning & performance processes, a broader detailed analysis of performance studies observed that planning has a minimal effect on performance.

Well-established strategic planning has a continuing effect on return on capital and on firm's survival. Research on how strategic planning affects financial performance is not as reassuring as earlier research; it is also seen that many studies of planning have similar methodological problems.

A strategic direction, stressing resource allocation at the corporate level, to the growing businesses in which the firm is well positioned improves performance of firms that plan strategically, by more than 1 per cent for return on capital. In addition, the passage of time also allows us to follow up on performance. Strategic planning at a point in time appears to be of double longer term likelihood of survival, as a corporate entity. Planning systems that focus mainly on financial matters and budgets, do not improve performance. A small & medium group of non-planners perform well, like that of the strategic planners, although this equality tends to disappear over the time period and the likelihood of the long term survival by non-planners is the common phenomena. Strategic planning can generally, improves the business performance, but that it is not a necessary condition, always.

4) The Impact of Financial Decisions and Strategy on Small Business Competitiveness.

- a) GLOBAL JOURNAL OF BUSINESS RESEARCH.
- b) Alejandra Lopez Salazar, Universidad de Guanajuato. Ricardo Contreras Soto, Universidad de Guanajuato. Rafael Espinosa Mosqueda, Universidad de Guanajuato
- c) Article- January 2012. (<https://www.researchgate.net/financialstrategy/publication/228241675>)
- d) (Alejandra Lopez Salazar & Guanajuato, January, 2012.)

This research paper mainly, covers the financial decisions taken by the Company & the financial strategy which is being followed to take the above-mentioned financial decisions. The researcher further says that it is also, equally important to have the proper balance between these financial decisions & the financial strategies which are being followed by the Companies. The researcher has verified the samples of two hundred & two different Business Companies.

The study & research of these companies reveal that most micro and small enterprises make funding decisions in a certain way, apply an intensive strategy, their market longevity is low and their level of sales is regular; implying that majority of the companies lack competitiveness, which hampers their development and expansion process. The emphasis that companies work on certain financial decisions is not always appropriate for the type of business strategy which is being implemented. Likewise, companies that efficiently manage their short-term assets and liabilities are more competitive as evaluated by their longevity in the market.

It is important to see: - 1) the financial decisions made by the companies 2) the strategies that organizations follow. 3) The alignment between these two variables and 4) the relationship of financial decisions to the level of competitiveness of the Company. Most micro and small enterprises make funding decisions in a certain way, apply an intensive financial strategy & also their market longevity is low and their level of sales is regular, implying that these companies lack competitiveness, which hampers their development and expansion process. The emphasis these companies place on certain financial decisions is not always appropriate for the type of business strategy, being implemented by them. Likewise, companies that efficiently manage their short-term assets and liabilities are more competitive, as evaluated by their longevity in the market.

The effect of financial decisions on business competitiveness is a special topic that researchers have not yet studied in depth. Despite its importance and the need to adapt financial strategies for an organization's characteristics, few studies have focused on analyzing decision-making and its impact on small enterprises' competitiveness. A business's financial environment is a main factor for the organization's success, especially for the small businesses, forced by financial limitation, to be highly efficient in allocating their scarce resources, in order to ensure survival and to generate profits.

The importance of financial decisions in business is clearly evident, since many of the factors that contribute to failure can be managed properly with financial strategies and financial decisions that drive growth and the organization's objectives. According to a number of studies, the main causes of business failure are the lack of financial planning, limited access to funding, lack of capital, unplanned growth, low strategic and financial projection, excessive fixed assets investment and capital mismanagement. Many of these causes of business failure are challenges that can be successfully managed with financial & management strategies developed and implemented by the organization. However, the study of financial decisions has been, for a long time, is limited to larger corporations, about which extensive research has been done & its outcome is published. One of the main features of small businesses is that they do

not have useful financial information, to make day to day decisions. The information generated is utilized for the petty causes like to pay taxes etc. but does not reflect the real situation of the organization. In addition, small businesses do not have specialized personnel with professional expertise & knowledge for planning, administration and financial decision making and the owner has to make all the day to day business decisions without a solid knowledge foundation. Because small business owners concentrate mainly on obtaining resources for daily operating expenses, it is difficult to develop financial plans: there is no knowledge of how to implement them, daily business problems overwhelm entrepreneur decision making capacity and then real urgency is to solve day to day business related basic problems, in order to generate income. However, this does not imply that financial decisions should not be only based on financial planning. In Mexico, Small businesses' problems are very clear as detailed below:- Sixty five percent of small businesses shut down in less than two years, while twenty five percent of small businesses survive during this period with a very low probability of development & growth. Although small businesses do not struggle only in the financial area, it represents a central problem that affects their overall development & growth.

Currently the business environment is so complex and dynamic that it requires a greater capacity for adaptation if the businesses want to be more competitive. A business role that has regained importance is financial resource management due to the need to make more efficient use of the resources possessed by the Companies.

There are three fundamental categories of decisions that any organization should consider as necessary no matter what its size:-working capital decisions, investment decisions and funding decisions. The main objective of this study is to examine financial decisions and business strategies implemented by the organizations, as well as their relationship to the business competitiveness. Most micro and small enterprises make funding decisions and apply an intensive strategy (development of products and markets); their ability to survive in the market is comparatively low and sales are at the medium level, implying that the Mexican companies lack a high degree of competitiveness, which hampers their development and expansion at all levels. It was noticed that companies that efficiently manage their short-term assets and liabilities are more competitive (company's success in staying in the market is seen as a variable of competitiveness). In addition, the results show that there is no alignment between business strategies and financial decisions; this means that financial decisions do not support the implementation of the strategies. In order to raise business competitiveness, business owners need to adopt strategic management where objectives are proposed and actions are implemented accordingly. If there are no objectives from the outset, it becomes very difficult for the firm to formulate a competitive strategy, regardless of the size of the firm.

Likewise, the business owner must know and analyze the financial decisions that affect the organization's development, in order to obtain an alignment between organizational goals and financial decisions and thus enhance the company's growth & development processes. There are diverse factors over which the small business owners have the ability to attenuate and prevent the negative effects of the financial difficulties.

Business people must have sufficient financial support to sustain organization day to day operations while achieving the breakeven point; otherwise, business development potential decreases due to lack of capital. No matter what their organization's size, owners must have the required system to generate financial & accounting information, to fulfill bank financing related requirements. When businesses have financial information ready, they are also able to analyze investment needs (considering cost-yield) to determine the optimal capital structure level, to set dividend policy and to define the required funding strategy. It is also necessary to apply cash management techniques and establish credit policies and inventory policies through the proper analysis of the organization's operating cycle. With these actions, owners can have greater success in dealing with business financial difficulties; however, they must be aware that there are external environment factors such as macroeconomic conditions, interest rates, the international environment, weakness of internal market, rising prices, inflation, exchange rate, among others, that can influence their business performance.

5) “Corporate Financial Strategy in SMEs”

Proceedings of the World Congress on Engineering 2009 Vol II, WCE 2009, July 1 - 3, 2009, London, U.K.

Jaroslav Pavlíček, Member, IAENG. (Pavlickek, July, 2009)

In this research paper, the researcher has developed a methodology which describes the model of Company Strategy mainly applicable to Micro, Small & Medium Sized Companies (SMES) all over the Globe. It defines the Company Strategy as the path to achieve the Company Goals. The paper says that financial & management strategies are important integral parts of the Corporate Strategy.

This research paper was prepared for the Czech Company which was in financial difficulty like continuous decrease in the Annual Turnover. The Company was not having any defined Corporate Strategy & the financial & management strategies to work upon. It was in dire need of having a useful Strategies; Corporate, Financial & Management, to overcome its above-mentioned financial difficulty & to bring the company out of the present bad position.

The main SME Company objective listed for the field of finance supports the selected corporate expansion and differentiation strategies. The external company environment must be analyzed using SLEPT analysis with its outputs of potential threats and opportunities which might-influence decisions about the defined financial strategy. To evaluate competitive advantages of the company in the financial field, modified Porter analysis of the company field environment technique will be used, which is commonly used to define corporate & business related financial & management strategies. Processing Porter analysis for the need of financial strategy will be specifically focused on the identification of strategic measures which after its application in the financial field, will improve the position of the company in this field.

The proposed financial & management related business strategy must accommodate the interests and needs of company owners, management and customers as much as possible. The annual dividend growth is a positive signal for the investors. Later, when deciding about

accepting the financial strategy, these stakeholders can be more easily persuaded that the proposed strategy is in their interest & for their welfare.

Financial strategy, as a functional strategy, is subject to & a part of the overall corporate strategy. Therefore, financial strategy includes profit distribution strategy, investment strategy, financing strategy and legal relations strategy.

All relevant factors which were identified during the previous analysis will now be arranged according to their impact & importance. In order to make a rational conclusion based on the study & the analysis, synthesis of the most important factors in a final SWOT table will have to be carried out, considering the fact that some of the factors have similar consequences, and some are less important within the group than factors with the same effects. The result will not be overwhelmed by too many factors with similar effects or less importance than several dominant factors. Too many factors also make it more difficult to propose measures which would improve the situation in the company.

Defined objectives will be focused on the more distant future, and will cover the time horizon of 5-10 years. Each objective will be defined in consideration of the superior strategy and the results of SWOT analysis, e.g. which strong points/opportunities are used and which weak points/threats are eliminated. At the same time it is important to state the provision of each of the defined objectives (financial budget, personnel provision etc.), and each objective must be allocated to a person who is accountable for the fulfilment of the objective, and a person checking its proper fulfilment.

SWOT analysis defines the strong and weak points, threats and opportunities which include all outcomes of the previous mentioned analysis. When drawing up the proposal part, all analytical outcomes and definitions of the financial strategy are used so that strong company points and its potential opportunities were used whilst the weak points and factors representing future threats for the company are eliminated.

The proposed solution will help the company to implement its objectives in the field of financial & management strategies. The implementation process can be divided into two parts. The first, managerial part is based on the abilities of the implementing manager and his/her strong vision, company activation and support to the prepared proposals. The second, administrative part is based on the abilities of the company to adopt and further develop the starting processes. The Implementation Manager will be the Company Manager, the Implementation Sponsor will be the Finance Manager and the Implementation Agent will be individual Heads of Departments and their subordinates, will become the Implementation Target. The control mechanism is an integral part of the implementation process of the business strategy and it aims, to achieve optimal results as per the available resources within the company.

The proposed solution will help the company to achieve its objectives & goals in the financial & management strategies fields with respect to the objectives determined by the corporate and business strategies

6) "CORPORATE RESTRUCTURING - A FINANCIAL STRATEGY."

Asian Journal of Technology & Management Research [ISSN: 2249 –0892] Vol. 01 – Issue: 01 (Jan - Jun 2011)

Vikas Srivastava & Ms. Ghausia Mushtaq. (ajtmr.com) (Mushtaq, Jan.-Jun. 2011)

This research paper explains about the corporate restructuring as a financial strategy followed by the Company for the financial development and enhancement of the company which is suffering from a major failure in its level of business operations.

Technological advancement and environmental or political or legal changes / policies made the companies to go to the direction as proved by the changing environment of the new era. On one- side, a lot of competition but also, survival of the fittest & also, of the wittiest. In the ongoing process of rapid industrialization, only those organizations will survive which will create and deliver the maximum value & satisfaction to their valuable customers & stakeholders.

Corporate restructuring is the most complex but fundamental phase for any management of the Company. Financial restructuring is nothing but the redeployment of corporate assets through divesting of business lines which are really the peripherals of the core business strategy. Major changes in company's capital structure are defined & known as financial restructuring.

With rapid advances in information technology and acute resources constraints across the globe, the business world has become more complex and fluid in recent times. To survive and compete, the present-day organizations should do away with their existing culture, policies, structure and start with a clean sheet. They have to put more emphasis on the business process as a whole and do everything to keep the smile on the customer's face.

Corporate restructuring implies activities related to expansion or contraction of the day to day operations or changes in its assets or financial or ownership structures: -

Restructuring starts with its very clear purpose. It begins with the redefining or researching of the purpose or the goal of doing business. Once the purpose/goal is adequately redefined, scope for restructuring is decided. Sometimes it also happens that realization of the scope for restructuring may bring you back to the same purpose and you start rethinking about some additional & new purpose.

Business restructuring therefore may be approximately defined as a conscious effort to-restructure policies, programs, products, processes and people, to serve the redefined purpose & objective on a sustainable basis, because most of the restructuring exercises are carried out with an required proper reaction to the market variables or internal problems, without any serious attempt of looking at long term business results.

Considering the External environment factors, the organization must reach for new products, new service and new market opportunities. Working with suppliers, distributors and customers to redefine markets and industries. Internal structures and management styles must be capable

of creating and delivering these products and services. Strategic awareness, information management and changes are very important if the organization wants to be ahead & better of its competitors.

Corporate restructuring, thus involves destroying old paradigms, old technology, old ways of doing business and starting all over again, afresh.

A corporate structure is not immutable. Companies frequently get reorganized by adding new businesses activities or disposing off the existing ones. They may alter their capital structure and they may change their ownership and control patterns.

Restructuring can be in any of the following ways, leverage restructuring that is takeovers or buyouts of company or division that is financed mostly with debt funding. Companies shed and acquire assets. Assets may be divested by spin-offs, carve outs or asset sales. These divestitures are generally good news to the company investors & with it, the divisions move to the better positions, where they can be well managed and become more profitable.

7) “Review Paper on Financial Inclusion – The Means of Inclusive Growth”

Chanakya International Journal of Business Research, Vol 1(1), 37–48, March 2015 ISSN (Online) Purvi Shah and Medha Dubhashi [Ph.D.]

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In inclusive growth of the country, financial inclusion plays an important role. All over the Globe, roughly more than 2.5 billion people are not enjoying financial services & about 33% of them are from India The current approach of “Financial Inclusion” starts from the United Nations program, which generally has mentioned the main objectives of inclusive finance as entry to a varied of financial services including savings, credit, insurance, remittance and other banking / payment services to all ‘bankable’ persons and organizations at a competitive cost.

The existence of proper & ideal financial services in non-urban areas is certainly important for the development of the overall economy because it will make possible for the growing number of rural people, to finance the development process of their lives & day to day earnings. The development of the economy & the development of the rural market in the country go hand in hand. So greater financial inclusion in these segments is necessary. The major purpose of this study is to verify various papers on the how financial inclusion serves as a means of inclusive growth and to examine the work done by Government and Reserve Bank of India for doing & completing the work of financial inclusion in the country.

In India, the real meaning of the financial inclusion, now, is to ensure a bare minimum facility of a savings bank account without difficulties, to all. On International scenario, the financial inclusion has been defined in a much wider manner. Having a personal current account /

savings account is not considered as a true case of a financial inclusion. The term ‘Financial Inclusion’ is at least expected to offer varied of financial services like savings, long and short-term credit, insurance, pensions, mortgages, money transfers, etc. and all this at a competitive cost.

It is now, advisable that addressing financial exclusion needs a logical approach by the banks in giving all the details about financial products, education, and advice on money management, debt counseling, savings and affordable credit. The banks are required to follow a peculiar system to make their services affordable for the ordinary people in order to advertise financial inclusion. One of the means by which this can be done in a cost-effective way is by having an arrangement with microfinance institutions, NGO’s and local communities.

There are mainly, 2 factors- supply and demand which accelerate Inclusive Growth. Banks and other financial services play a major role from supply side by offering basic financial services to the down-trodden & poor people. Offering them financial products becomes difficult because of several factors like lack of awareness about the financial products, unaffordable products, high transaction costs, and products which are not convenient, inflexible, not - customized and of low quality. Other than the supply side factors, demand side factors, like lower income, lower asset holdings too, have a major contribution for the inclusive growth. Due to the various difficulties in offering formal sources of credit to the poor people and small and micro-organizations usually depend on their individual savings or own funds to invest in health, education, housing, and entrepreneurial activities, to go for the development related opportunities.

Financial Inclusion develops thrift and creates culture of saving. It also creates an efficient payment mechanism. It is impossible to reach an objective of financial stability, economic stability and inclusive growth without financial inclusion.

Banks are required to extensively advertise for the facility of no frills account. The Banks can also, utilize an important instrument of Technology for giving access to banking products to the distant geographical locations.

ATMs cash dispensing machines can be further updated properly, to become more user friendly for persons who are illiterate, less educated or do not know the language like English.

8) “Financial Strategies in Mergers and Acquisitions (M&A): The Case of Regulated Firms”

DP 2003 – 07. Helder Valente , May 2003. CETE – Centro de Estudos de Economia Industrial, do Trabalho e da Empresa. Research Center on Industrial, Labour and Managerial Economics.

Faculdade de Economia, Universidade do Porto.

(<http://www.fep.up.pt/investigacao/cete/papers/index.html>) (Valente, May, 2003.)

In this research paper, the researcher has tried to present a general model of strategic behavior of both regulated and non-regulated firms in M &A situations.

In case of non-regulated firms, it is indicated that targeted firms issue new Debt, strategically. In this case, the firm's capital structure is chosen so that it maximizes the (ex-ante) market value of the firm.

But for regulated firms, the researcher shows that managers, acting on behalf of shareholders, make their strategic financial decisions on debt issuing and investments, in anticipation of the feedbacks of the regulatory body and the responses of financial markets. These decisions are aimed at influencing the probability that an acquisition occurs as well as the price the potential bidder will have to pay. However, such decisions are also made with a view to influence the regulatory policies (maximum price or rate of return permitted), thereby mitigating the - probability that in the regulatory game, the regulator adopts an opportunistic behavior.

Most managerial decisions impact on the firms' preferred capital structure. By the same reasoning, it can be thought of M &A also, having an impact on the financial decisions of the target firms.

Capital structure plays an important role in rate regulation due to the interaction between the investments & financial decisions of a regulated firm AND the pricing choices of the regulators. The regulatory process is a dynamic one, which can be modelled as a game in which the players are a firm, a regulator, and the outside investors. Regulatory commissions set rates that depend on the firm's level of investments and capital structure thus reflecting not only payers' rate of interests, but also those of investors. The capital market, in turn, values the equity and debt of the regulated firm on the basis of its investments and capital structure as well as on present and future regulatory policies (taking into account a regulatory risk). The regulated firm makes its- investments and financial decisions in anticipation of regulatory policies and the capital market's reactions. However, those financial decisions can also have a significant effect in the market for corporate control, if we admit that the regulator (and/or the government) permits M&A (or financial participations) in that kind of firms (in particular utilities).

In fact, the decision about capital structure by the managers of the regulated firm affects the outcome of the management control contests through its effect on the distribution of cash flows between voting equity and nonvoting debt. In particular, higher debt levels result in a lower profitability for the acquirer and, therefore, in a lower probability of acquisition. Thus, the strategic choice of the optimal debt level is based on trading off a decrease in the probability of acquisition (marginal cost of debt) against an increase in the share of the expected synergy gain for the targets i.e. shareholders (marginal benefit of debt), due to a better ability of a rival management to run the firm (if we admit that debt is issued in competitive markets at the present value of its expected payoff, yielding zero net present value to debtholders) Thus, those financial strategic decisions try to influence not only the price that a potential bidder must pay to obtain the control (as well as the probability of the acquisition), but also the regulatory

policies about allowed Prices OR allowed rates of return (trying to mitigate an opportunistic behavior of the regulator in the regulatory game).

In the regulatory process, regulators set rates after the firm selects its investments and capital structure. The managers of the regulated firm, acting on behalf of shareholders, maximize (ex-ante) the market value of the firm, making their strategic choices about capital structure and the investments plan, anticipating regulator's decisions and capital markets responses.

The regulated firm is shown to invest less than the socially optimum level, which in turn raises regulated rates above the optimal level. However, the issuing of debt mitigates the regulators incentive to act in an opportunistic manner and may therefore provide the firm with an incentive to increase its level of investment above that of an all equity firm. This has important implications for regulatory policy. In particular, the strategic issuing of debt by the firm may create incentives for regulators to place limits on debt as a means of controlling the risk of bankruptcy. However, as has been shown in financial market models, the firm's capital structure can provide information regarding its costs and performance levels.

Thus there is a need for additional investigation of the information related aspects of capital structure in the regulated industries.

9) CORPORATE STRATEGIES FOR CURRENCY RISK MANAGEMENT.

Master Thesis in Business Administration, EFO704, School of Sustainable Development of Society and Technology, Spring semester 2008, Supervisor: Sigvard Herber.

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In this research paper, the researchers have elaborated about the various types of risks , the Companies & especially, MNC Companies face with their every phase of growth & development. One of these risks is "Risk of Currency Fluctuations."

In any type of business, there are always risks to be considered from the company's point of view. However, as companies enter the global market and become multinational firms, a whole new World of opportunities opens up for them. However, with the aspect of new opportunities comes a new set of challenges and problems, which means that the risks multinational firms face are more and wider than those as faced by domestic firms.

The goal of most companies is profit maximization and in the case of limited corporations, Shareholders' interest is supreme. Due to these factors, it is imperative that companies do not neglect the risks that follow business in the international environment, but instead adapt new kind of proper strategies for identification and management of the international business risks.

There are several types of international business risk factors, and one of the most interesting And important ones is the currency risk. Currency fluctuations are a global phenomenon and therefore it affects all companies around the world involved in international business scenario the risks of currency can be either long-term or short-term and can affect the Company's cash

flow, financial results and firm's valuation directly. Therefore, it is not only in the company's best interest, but also almost an imperative factor that the company has structured methods for dealing with currency risks. However, currency risk itself might be divided into several sub-categories and therefore the methods and strategies that companies use to deal with them might also vary.

The corporate strategies for managing currency risks might be a bit of a gamble. Many of the strategies used for currency risk management come with a high risk and a high cost for themselves. Therefore many companies face the question of whether they should use appropriate risk management strategies, at all, despite the risk and the cost or to take a chance and not protect themselves against the currency exchange rate fluctuations, at all. As international trade has steadily increased throughout the years, it might be argued that any strategies that companies can use to gain competitive advantages should be of the value & of the great meaning. Therefore the questions regarding the currency risk management strategies' cost versus the benefits that the companies could gain is really & ideally an interesting one.

This thesis has brought a lot of insights regarding currency risk management. We are somewhat surprised that few of the strategies are actually adapted by companies and thereby the conclusion that not all theories are effective in practice can be drawn. Hopefully our target group will feel this research is a valuable tool in their business work as we certainly will use the knowledge gained for our future careers & business growth.

10) The Age of Globalization: Impact of Information Technology on Global Business Strategies

The Honors Program, Senior Capstone Project, Benjamin R. Lawlor

Faculty Advisor: Richard Glass, April, 2007

Globalization has completely altered the way in which the world operates while executing business. The barriers that once hindered our ability to communicate and interact with people across the world have diminished to a greater extent. Globalization has become ingrained in all fields: business, government, economics, social etc. In this paper the role of globalization on society will be discussed in general and in particular, the impact of the globalization on the business environment will be studied. Also, over the past few decades advancements in information technology has had a profound effect on the global landscape as well as on the - progression of globalization. The argument will be presented that innovation in information technology has been a major driving force behind globalization and that information technology has now become a key component of the corporation's global business strategy.

Advances in information technology have changed the way, we live and has changed how people, businesses and governments interact with each other. Innovation in information-technologies has played a major role in the progression of the globalization over the past few-decades. This expansion has had a profound impact on organizations across the globe and the only way for companies to adapt to this new environment is to make a concerted commitment to globalization through their development of processes, infrastructure, and strategies. In- order

to best achieve this goal, the companies should make information technology an integral part & piece of the company's global business strategy. Information technology has forever changed how organizations conduct business as shown by my examples of companies introducing information technologies into their organization to create global strategies.

Information technology has been the leading force & factor in the progression of globalization to this point, and will continue to influence globalization's progression throughout this century, leading to a globally connected world. With globalization becoming such an integral part of the global landscape that all the businesses need to adapt their processes and operations in order to compete in the highly competitive global environment. Information technology is the driver behind organizations' need and desire to implement global strategies. Information Technology has moved the business environment from a predominantly U.S. based world to a truly global world and both U.S. and the rest of the globe are benefiting from it. We have moved from the Information Age to the Global age and the main force behind this change is information technology. The importance of globalization will continue to grow as companies move into the upcoming future decades. With innovative information technologies to support them, organizations will have the capability to monitor, re-evaluate, modify and employ global-business strategies that will meet all these global business & corporate related challenges & concerns.

11) 'Concept of Corporate Strategy.'

In this research paper, the researcher has studied & given varied comments on different important aspects of the 'Business Strategy' like meaning of Business Strategy, levels of different Business Strategies, different approaches to the Business Strategy, benefits of applying different Business Strategies, objectives of different Business Strategies etc.

Organizations are facing exciting and dynamic challenges in the 21st century. In the globalized business, companies require strategic thinking and only by evolving good corporate strategies, can they become strategically competitive? A sustained or sustainable competitive advantage occurs when firm implements a value & worth creating strategy, which other companies are unable to duplicate & also unable to enjoy the benefits of it OR find it too costly, to initiate. Corporate strategy includes the commitments, decisions and actions required for a firm to achieve strategic competitiveness and to earn above the average returns on capital employed. The goals of corporate strategy are challenging not only for larger firms like Microsoft but also for small & medium sized local computer retail outlets or even dry cleaners enterprise.

A corporate strategy of a business organization is a comprehensive master plan stating how the organization will achieve its business mission and objectives. Strategy is significant & important because it is universal phenomena. It helps corporate enterprise to keep pace with changing internal & external environments, provides a better understanding of external environment, minimizes competitive disadvantages by forcing to think clearly about business mission, vision and objectives of the enterprise. It improves the motivation of employees and strengthens decision making process of the business management. It forms the ideal basis for implementing day to day business operations & actions. Business strategy can be classified on

the basis of the business hierarchy into four levels:-corporate level, strategic business level, functional level and operating level. The different approaches to make the business strategy are: - the Chief Architect approach, the delegation approach, the collaborator or team approach and the corporate intra-preneur approach. Strategy making is an ongoing process involving activities like defining vision, mission and goals, analyzing the organization and the environmental (both internal & external) factors and matching them to decide suitable actions and objectives, and implementing them with a control & review systems.

12) “USING EXPERIMENTS IN CORPORATE STRATEGY RESEARCH”

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This research paper studies in detail about the existing methods of research in Corporate & Business Strategies i.e. based on case studies. The researchers are of the view that today various other research methods are also used to supplement or compliment the case studies. Research methods like drawing new concepts / ideas from various disciplines related to the business strategy sciences etc. A large number of observations are being conducted on the large amount logical & scientific data collected from various preliminary & secondary data sources.

Corporate strategy has now become an inherent & interdisciplinary endeavor. Concepts from fields as diverse as anthropology, computer science, economics, mathematics, psychology and sociology along with many others have profitably been brought to resolve the issues of how corporations make, implement and get benefitted from business strategic decisions.

Methodologically, However, current research & study relies more on the use of observed data (empirical data) developed either from archival or primary sources. Corporate strategy would benefit from an expansion of its current set of research methodologies. In particular, the use of experimental methods to address core- strategy theories and to complement current observation related approaches.

An increased adoption of experiments in corporate strategy research will bring specific and significant innovations and rewards. As new discoveries in the fields of psychology and economics & other field experiments are helpful in addressing theories; testing them and estimating their parameters are also, required. The challenges and opportunities facing corporate business strategy research often lies in the integration and reconciliation of multiple theories from different disciplinary perspectives. Experimental methodology can be useful in distinguishing among competing theories, as it provides the ability for creative designs & to un-confound their predictions. Experiments can also be helpful for theory building in corporate strategy, suggesting modifications to existing disciplinary based theories and exploring new

theoretical directions, efficiently. As a result, experiments have the potential to enliven the field and to offer a valuable feedback & complement to the existing methodologies.

There is a great potential contribution that experimental methods can make in the field of – business corporate strategy. The observation that experiments are already well accepted in closely related disciplines & to the corporate strategy. But the use of experiments need not be limited to only those domains that directly build on these disciplines; corporate strategy theories that are not typically associated with psychology or economics are also fertile territory for the use of experiments. The belief that experiments can be used to address theories, both by testing them directly (point predictions, comparative static predictions), by distinguishing among competing theories, and by establishing cause & effect relationship, more convincingly than the method of the observational research.

Experiments have limitations as well, particularly external validity, and thus must be used- in combination with theory and observational research, to triangulate on the truth. There are - number of ways that experimental and observational methods can reinforce each other as well, including theory building and identifying promising areas to pursue. The research has provided an extended example of how experiments can address competing theories in the area of - acquisitions, and discuss more briefly four other areas of corporate strategy where we believe experiments can be productively applied. A further research will encourage interested scholars to consider these and other areas in corporate business strategy, as those ripe for further study & research.

13) The Concept of Strategy.

(www.foundationsofstrategy.com)

Strategy is about the success. This chapter explains what strategy is and why it is so important to individuals and organizations in achieving their goals & objectives. We will distinguish strategy from planning. Strategy is not a detailed plan or program of the instructions; it is a unifying theme that gives coherence and direction to the actions and decisions of an individual or an business organization.

Strategy is about providing common purpose, committing resources and creating value, so inevitably strategy is bound up with ethical questions. What values and principles should a business organization ideally adopt? What are a business organization's broader obligations to society as a whole? Strategic decisions always have an ethical dimension and that the pursuit of shareholder as opposed to broader stakeholder interests thus remains a hotly contested debate. The pursuit of wider social and environmental goals does not necessarily have to conflict with shareholder interest. Strategy's main concern is about creating value for the future and this requires identifying and exploiting the fundamental drivers of value in a principled & ideal ways.

Learning objectives Summary:-

<u>Learning Objectives</u>	<u>Summery</u>
Appreciate the contribution that strategy can make to successful performance, both for individuals and for the organizations	Success is associated with strategy. In particular success is linked to the adoption of goals that are simple, consistent and long term; having a profound understanding of the competitive environment; objective appraisal of resources; and effective implementation.
Be aware of the origins of strategy and how views on strategy have changed over the time	Strategy derives from the Greek word strategia but its roots can be traced to Sun Tzu's classic work The Art of War. Strategy has been driven by the practical needs of business and has moved from a focus on corporate planning to an emphasis on strategic management
Be familiar with some of the key questions and terminology in strategy.	What is strategy? How can strategy be described? How can strategy be identified? How is strategy made? What roles does strategy perform? Whose interest does strategy serve? In our discussion of these issues, we introduce a range of key terms and concepts.
Understand the debates that Surround corporate values and social responsibility.	whose interests strategy serves leads to a further Discussion of whose interest strategy should serve , of shareholders or of stakeholders?
Gain familiarity with the challenges of strategy making in not-for-profit organizations.	Strategy is as important for not-for-profit organizations as it is for for-profit firms and many of the same concepts and tools are applicable to both types of organizations. However, it is useful to distinguish between those not-for-profits that operate in competitive environments and those that do not. Appropriate tools for strategic analysis differ among these different types of organizations.

14) BUSINESS STRATEGY.

Anthony W. Ulwick , QUORUM BOOKS, Westport, Connecticut • London.

(www.untag.smd.ac.id/files)

While formulating company and product strategies, organizations may choose to take the same actions that have made them successful in the past. They may choose to react to complaints that have been made by existing customers, or respond to new products from competitors that have resulted in good press or in the loss of a traditional customer. Organizations may base their company and product related strategies on internal goals such as cost reduction or quality improvement etc. They may choose to react positively to the managers who believe the organization must simply do something different.

Given the increasingly competitive nature of most businesses and the advent of global markets, a reactive approach to strategy formulation may be a recipe for failure. Which organization will- be best positioned in the future? Will it be that which base their company and product strategies on past successes, customer complaints, competitors' actions, internal objectives or a desire to do something different? Or will it be that which systematically use facts, structure

and process to- formulate strategies and solutions that will address all the unique aspects of their situation and enhance their ability to create customer value?

An effective strategy must enable an organization to:-

1. Uncover a unique and valued position that involves a set of activities that are different than those which are being taken by the competitors.
2. Make all the required trade-offs, visa-vis competitors, to determine which activities should be pursued and which actions should be taken.
3. Ensure about those activities that are chosen to execute the selected strategy which is fit to create a distinctive and sustainable competitive advantage for the business organization.

To achieve the first strategic objective, an organization must be able to successfully determine:

1. What potential target markets exist and which segments to target for.
2. What activities are valued by that set of targeted customers.
3. How well each activity is currently performed by the competitors.
4. What level of satisfaction must be achieved for each activity, to occupy a unique and valued competitive position.

This advanced strategy formulation process is often used to obtain the answers to each of these complex questions. Once the information is obtained, it is organized within the structure of the USFM. The information is then used to systematically formulated strategy that places the organization in a unique and valued position. In addition to this, through the use of this process, an organization can be assured that its chosen strategy will involve a set of activities that are - different than those been taken by competitors.

The second strategic objective involves making the trade-off decisions that will enable an organization to determine what activities to pursue and what actions to take. Advanced trade-off logic is integrated into this strategy formulation process, to enable an organization to determine what activities to pursue. The trade-off logic that is employed is used to:-

1. Ensure that the chosen strategies and solutions drive the satisfaction of important and Unsatisfied desired outcomes at the expense of satisfying less important or already satisfied desired outcomes.
2. Drive the pursuit of activities that satisfy many important desired outcomes, at the expense of pursuing activities that satisfy only one important, or several relatively unimportant desired-customers.
3. Drive the performance levels required to obtain a competitive advantage, at the expense of achieving target values that produce a me-too competitive position.

Advanced trade-off logic is also integrated into this process to enable an organization to determine what actions to pursue. The trade-off logic employed for this purpose is used to drive the pursuit of actions that:-

1. Enable valued activities to be performed at the expense of less valued activities.
2. Enable the achievement of the target values that have been set for many highly valued-activities at the expense of achieving the target value set for only one valued, or several-relatively unvalued activities.
3. Honor the stated constraints at the expense of all other criteria.

The third strategic objective involves is choosing to execute activities that fit together, to create a distinctive and sustainable competitive advantage for the organization. While executing this-advanced strategy formulation process, the prioritized set of predictive metrics effectively-defines the array of interlocked activities that complement, reinforce and optimize one another as they predict the creation and delivery of customer value. Prioritized predictive metrics drive the creation of a distinctive and sustainable competitive advantage.

15) “From Strategy to Business Models and to Tactics”

HARVARD BUSINESS SCHOOL.

Ramon Casadesus-Masanell, Joan Enric Ricart. Working Paper 10-036

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In this research paper, the researchers have studied in detail about the 2 separate concepts of - Business Model & Business Strategy. It is said that many times, these 2 concepts are correlated with each other but can also, be shown to be different ones.

The concept of Business Strategy has evolved substantially in the past twenty-five years. Firms have learned to analyze their competitive environment, define their positions, develop competitive and corporate advantages, and understand threats to the sustaining advantages in the face of challenging competitive dangers. Different approaches including industrial organizations, the resource based views, dynamic capabilities, and different game theories have helped academicians and practitioners to understand the dynamics of competition and develop recommendations on how firms should define their competitive and corporate business strategies.

However, drivers such as globalization, deregulation, or technological changes, just to mention the few, are profoundly changing the business competitive game. Scholars and practitioners agree that the fastest growing firms in this new environment appear to have taken advantage of these structural changes to compete “differently” and innovate in their own business models. IBM’s 2006 and 2008 “Global CEO Study” for example, show that top business management in a broad range of industries are actively seeking guidance on how to innovate in their business models , to improve their ability to both create and capture value.

Advances in information and communication technologies have driven the recent interest on business model innovation. Many e-businesses constitute new business models. Shafer, Smith, and Linder present twelve recent definitions of business models and find that eight are related to e-businesses. Of course not all business model innovations are IT driven; other forces, such as globalization and deregulation have also resulted in new business models and fed the interest in this area.

New strategies for the bottom of the pyramid, in emerging markets have also steered researchers and practitioners towards the systematic study of business models. Academicians working in this area agree that for firms, to be more effective in such unique environments, they need to develop novel business models. In fact, socially motivated enterprises that aim to reach the bottom of the pyramid constitute an important source of business model innovations.

Although it is uncontroversial that for organizations to thrive managers must have a good Understanding of how business models work. The academic community has, so far, only offered early insights on the issue. To be very true, there is not yet an agreement on what are the distinctive features of superior business models. We believe that the dispute has arisen in part, because of lack of a clear distinction between the notions of strategy for business model and the business tactics. The purpose of this paper is to contribute to this literature by presenting an integrative framework, to distinguish and relate the concepts of business model, strategy, and tactics.

If we put it clearly, business model refers to the logic of the firm, the way it operates and how it -creates value for its stakeholders. Strategy refers to the choice of business model through which the firm will compete in the market place. Tactics refers to the residual choices open to the firm by virtue of the business model that it employs.

To integrate the concepts of strategy, business model, and tactics, we introduced the generic two stage competitive process framework. In the first stage, firms choose a “logic of value creation and value capture” (to choose their business model). In the second stage, firms make tactical choices guided by their goals (in most of the cases, goals entail some form of stakeholder value maximization).

Strategy and business model, though inter-related, are different concepts. A business model is the direct result of strategy but it is not the strategy itself.

Distinction between tactics and strategy is possible because strategy and business model are -different constructs. Tactical interaction (organizations affecting each other when acting within the bounds set by their business models) has well defined rules of play (action sets are well-understood, the mapping from actions to payoffs are easy to discern, and best responses can be easily figured out) because business models constrain the tactical sets and game theory can be easily applied to predict competitive dynamics and outcomes. Strategic interaction (organizations affecting each other through strategy; that is, by changing their business models) is more- complex. First, the rules of the game are not well defined in this case as there are few constraints as to how business models can be assembled. Second, the mapping between strategic choices and payoffs are much more complicated than in the case of tactics because

for every modification in the business model, the designer needs to assess the effects that it will have on tactics (as the- final payoffs are always determined as the outcome of tactical interaction). Finally, it is usually hard to predict how a rival will react to a particular set of corporate strategic moves because, for all practical purposes, best responses become impossible to pin down in today's competitive & complex business world.

16) International Marketing Strategies for Global Competitiveness.

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The Researcher has done an extensive & detailed research about the strategies which are being adopted by the Companies, especially, for Marketing Strategies by International ones, to seek various advantages & benefits in the Domestic Country & also, on International Scenario.

Most of the firms are eyeing for the global market place, to improve their competitiveness. Considerable controversy has arisen in recent years, concerning the most appropriate strategy in international markets. Deciding how to deal with the globalization of markets, poses tough issues and choices for the managers and their firms. They must consider both-: external environmental forces and internal organizational factors, before they finalize & arrive at an international marketing strategy.

The growing integration of international markets as well as the growth of competition on a worldwide scale implies adoption of a global perspective in planning for marketing strategy. The paper is divided into three parts. The first part deals with the factors that enable the industry to globalize itself. The second part examines the concept of global competitiveness and studies the factors leading to global competitiveness. Finally, in the third part, on the basis of the points discussed in the two earlier parts, a general approach is suggested for the firms to achieve global competitiveness.

In this paper, ideas from the available literature are integrated in to a comprehensive conceptual framework in which strategies can be formulated. The paper further presents a basis for developing international marketing strategies along with a comprehensive discussion on developing global competitiveness.

Global competitors must have the capacity to think and to act in complex situations. They must understand and accept the fact that this is an era of competition and only those who are competitive will remain in the race. They must, therefore, design their strategies such that they manage the cost and revenue factors, simultaneously. Due credit must be given to efficiency and innovations requirements of an organization.

Globally, competitive firms should know how to manage their resources globally and how to strike a balance between centralization and decentralization positions, so that they take advantages of both economies of scale and the benefits of differentiation and adaptation. They will have to learn to adopt combinations of these both alternatives.

The key to success is a careful analysis of the obstacles to this approach. Should be carefully evaluated on the basis of company's strengths and the company's competitive- advantages in exploiting them before arriving at an international marketing strategy.

17) Combination of both Global & Local Business Strategies.

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In their research paper, the researchers have studied in details about the new strategies of the Global Corporates which balanced out between the 2 business strategies like Global & Local as per the changed business situations & environments. The new combined business strategy is known as GLOCAL.

A few years ago, globalization was the new paradigm in international business, however from a branding perspective; it has lost its initial efficiency giving the fact that consumers do not seem to feel a connection anymore with the standardized products of global corporations, catered to them in mass marketing communication programs. With their centralized decision making system, most companies simply stopped having a connection with the new global marketplace and neglected its emergence. Hence, more influence of local characteristics arose, and with that a new term that encapsulates the global and the local ‘GLOCAL’. “Glocalization” encourages companies to “think global, act local”, and they could do so by using the global brand, while localizing certain elements of that brand, in order to suit a particular country.

Even though for a while, selling standardized products and services was a good strategy, the world evolved and customers stopped feeling a connection with the generic products and communications. Now, even the products that were synonyms with ‘globalization’ took a different approach. For instance, Coca-Cola, the firm often portrayed as the exemplar of the standardized products, has found that it is increasingly standardizing strategies which had run its own course. According to Coca-Cola’s former chair Douglas Daft, “The world had changed, and we had not. The world was demanding greater flexibility, responsiveness and local sensitivity, while we were further consolidating decision making and standardizing our practices. The next big evolutionary step of ‘going global’ now has to be ‘going local’ the tuition for Coke learning was its loss of international market-share to its competition, both at global and local stages.

Now, Global brands are rethinking their ‘one-size fits-all’ strategy, by approaching to the Globalization one. As we have seen, even the major brands that used to represent a standard for globalization, like McDonald’s and Coca-Cola, acknowledged that the above mentioned changes and tailored their products, so that they would not lose market share. Glocal marketing attempts to fill the gap between local culture, preferences and the globalization of marketing activities, and tries to re-establish the connection between global brands and different local cultures.

At present, People want both global and local brands – brands that make them feel part of a broader international community, but also brands that root them in their home culture & respect and represent their tastes. Hence, a GLOCAL strategy seems to be the right kind answer to the peculiar problems as faced by these global corporates.

18) Learning from Evolution: A Study of Acer's Corporate Strategy

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The researcher has done his study & research on the basis of the sample of a major I.T. Company in Taiwan- ACER CORPORATION.

Strategy is about creating and sustaining competitive advantage that underlies continuing success. The strategic management theory prescribes that firm should create and maintain a fit policy with their external & internal environments. The firm should have a tighter fit than its competitors because survival and success is reserved to the fittest, not merely the fit. Distinctive fitness or competitive advantage represents the essence of strategy. Strategic management theory explains competitive advantage of the fit entity, between the strengths and weaknesses of the firm and the opportunities and threats of the firm's environments. Given the comparative concept of fit entity in strategic management theory, it is less suitable, to to explain sustaining or declining competitive advantage. Explaining the transformation of competitive advantage requires a dynamic mechanism. Evolution, as logic of change, could provide such a tool. As evolution evolves competition for scarce resources, the biological metaphor can be applied to the strategic management since strategic management studies how a firm should outperform its competitors for acquiring the scarce resources. Also, strategic options or policy selection can be directly mapped to the concept of natural selection in Darwin's theory of evolution. Evolution theory might therefore add insight to the development of the relationship within a firm and between the firm and its environments.

Acer had carefully articulated its strategy from the very beginning of its formation in all its decisions from organizational structure, people related management, policy decisions, business- strategies, etc. that was quite revolutionary in the Asian world. Acer has used innovative- management techniques for its operations, human resources management, diversification and channel strategies. It has been able to allow almost complete decision making power to its business units while still leveraging the competencies from these individual autonomous units by:-

- promoting a management style which promotes individual growth
- Innovative operations management using the concepts from JIT
- building a “client server” organization which enables open communication and knowledge

Transfer

- Wisely choosing its partners in successful companies like IBM in USA and SNI in Europe.

These strategies have led the company to the stage where it is now faced with the Asian crisis and the growing international competition. Additionally, with the introduction of the internet, the division of labor and capital has disappeared. In other words, the competitive advantage of Acer is gradually going away. Partnership and new product strategies based on internet technologies seem to provide the solution. It has to adapt to the changing world environment and develop new set of policies. Developing corporate strategies is a phenomenon similar to learning from other species in the animal kingdom.

19)Corporate Property Strategy is Integral to Corporate Business Strategy.

A u t h o r: - Stephen E. Roulac. (pages.jh.edu/jrer/papers/pdf/past.vol22n0102.06.129.152)

This research article focuses on Strategic Approaches to Corporate Real Estate. It traces the evolution of corporate real estate.

Corporate property in the past has been concerned much with the facility and insufficiently concerned with the relationship of that facility to the larger real estate markets and to corporate business strategy. Researchers concerning corporate strategic management have too seldom been sensitive to, let alone aware of, the significance of the properties in which corporations operate as a means to connect those corporations to their markets for resources and customers. As a consequence, the corporate real estate function generally and the research concerning the corporate real estate function have tended to be marginalized and disconnected from the concerns and priorities of corporations' senior management and board of directors. The powerful intersecting relationship of corporate real estate strategy, place and space contributions, and sources of competitive advantage are summarized, to demonstrate the positive implications of the strategic management of corporate real estate.

To date there has been very little published research on strategic approaches to corporate real estate. This article traces the evolution of corporate real estate emphasis, highlighting how corporate real estate can be a crucial resource that advances business priorities.

Eight alternative real estate strategies can be addressed in terms of alternative choices that enterprises confront concerning the places and spaces in which they operate. There are various ways in which places and spaces can promote connections to the corporation's specific real estate strategies. Places and spaces can contribute to competitive advantage in seven distinct ways. The eighth alternative real estate strategies can be related to the seven contributions of the superior corporate strategy to competitive advantage. This collection of exhibits provides a structure for approaching corporate real estate strategically. The- prospective payoff of superior corporate property strategy is enormous. Superior corporate property strategies promote multiple objectives of strategic advantage, innovation, business growth, productivity, human resources, business profitability and wealth creation. Superior corporate property strategies enhance the enterprise's competitive advantage and core- competencies by creating and retaining-customers, attracting and retaining outstanding- people, contributing to effective

business processes to optimize productivity, promoting the enterprise's values and cultures, stimulating innovations , learning and enhancing- shareholders' wealth.

20) Globalization strategies of Chinese companies.

School of Business, STOCKHOLM UNIVERSITY, Master's thesis 10 credits , Autumn semester 2005

A study of China's largest telecommunications equipment companies

Author: Kevin W.B. Jiang Supervisor: Dr. Tony Fang.

In this research paper, the researchers have tried to point out about the various “ Globalization Strategies “ being followed by Chinese Companies ,out of them, mainly by the two largest Chinese- telecommunications equipment companies based in China – Huawei and ZTE.

The researchers have examined, from a purely corporate strategic point of view, the global strategies of emerging transnational companies based in developing Countries. Specifically, the purpose of this study is to explore the globalization process of Chinese enterprises and the corporate global strategies which these companies pursue, in order to uncover distinct qualities and insights that bear implications for partners, competitors and policy makers in the developed economies. The study has focused on the worldwide- telecom equipment market and the two largest Chinese companies within that sector – Huawei and ZTE. The existence of global corporate strategies has enabled and facilitated by truly globalized underlying markets. A comprehensive investigation of the worldwide telecom equipment market using Yip's 19- globalization drivers demonstrated that the studied market and industry is indeed dominated by forces for globalization. In fact, it can be stipulated that the global characteristics of the telecom equipment market have strongly pushed the Chinese companies toward internationalization and globalization. By interviewing high ranking executives of Huawei and ZTE, as well as industry experts and professors, an overview of both companies' global corporate strategies was pieced together. With the support of a wealth of secondary sources and industry data, Huawei and ZTE's corporate vision, mission, globalization process and various components of their global strategies were identified and thoroughly analyzed. Four noticeably unique qualities were uncovered after scrutinizing the globalization processes of the two companies; (1) China centric:- Both Huawei and ZTE rely on the large Chinese telecom equipment market and the employee structure of their international affiliates are still dominated by Chinese nationals, (2) R&D focus:- Both companies invest a considerable amount of capital (more than 10% of annual revenue) and human resources (30-45% of all employees work within R&D) into research and development of new products and technologies, since the telecom equipment business is highly technology intensive. The strong R&D focus is also reflected in these two companies' -internationalization pattern of first establishing R&D sites, followed by sales offices in a second phase, (3) Foreign partnership:- Huawei and ZTE have actively sought cooperation with renowned foreign companies in areas ranging from management practices to

technology research. These partnerships offer the necessary experience and expertise in the globalization process, as well as providing legitimacy for the Chinese firms in developed markets. Both companies are active participants in numerous international standardization bodies as well, (4) Government influence:- Government influence and impact have affected Huawei and ZTE in both positive and negative ways. The two companies were found and currently headquartered in the city of Shenzhen, in southern China. Since the inception, these companies have benefited from the fact that Shenzhen was the first Chinese city to be exposed to economic liberalization and openness. Huawei and ZTE's flourishing development in the recent decades have also been supported by their strong ties to the Chinese government and military. But in the era of globalization, these companies are no longer satisfied with mere financial assistance and guarantees provided by the Chinese government; instead they have outspokenly demanded a better protection for China based firms in the domestic telecom equipment market where foreign companies such as Ericsson and Nokia still retain a large market share. It can be postulated that the overall corporate global- strategies pursued by Huawei and ZTE resemble to a large extent, with the total global strategy framework. The main concept of total global strategy is to internationalize and globalize a company's existing core corporate values and strategies. Both Huawei and ZTE have retained the core strategies of R&D focused and for the mutual partnerships in their globalization efforts. Instead of only recruiting the best graduates and experienced engineers in China, both companies have set up R&D facilities in strategic regions- worldwide in order to attract foreign expertise to boost R&D operations. In this way, Huawei and ZTE are able to benefit from both low cost development in China and advanced quality research in developed countries. Partnership building has grown to an international scope as well, where cooperation with renowned foreign companies in strategic business and technology areas has become a natural part of these companies & organizations. In the global telecom equipment market, Huawei and ZTE intend to compete on price as well as product and service quality. This is also an extension of the companies' domestic strategies of avoiding mere cost leadership. By following the three phases within the total global strategy framework, Huawei and ZTE have gradually and successfully internationalized and globalized their core corporate values and strategies.

21) Multinational Strategies and Developing Countries in Historical Perspective.

HARVARD BUSINESS SCHOOL

Geoffrey Jones

Working Paper.10-076

In this working paper, the researcher has thrown light on the different strategies & techniques adopted by different Domestic as well as Multi-National Companies across the Globe to pursue their growth & development in different era. The researcher has given examples of various reputed multinational companies like Unilever, Ford, Renault, Volkswagen and General Motors etc.

This working paper offers a logical and descriptive analysis of the strategies of Multinationals from developed countries, working in developing countries. The central argument is that Strategies were shaped by the trade-off between opportunity and risk. Three broad environmental factors determined the trade-off. The first was the prevailing political-situation in the economy, including the policies of both host and home governments, and the international legal framework. The second was the market and resources positions of the host country. The third factor was competition faced from the local Firms. The impact of these factors on corporate strategies is explored, during the three eras in the modern history of globalization from the nineteenth century until the present period. The performance of specific multinationals depended on the extent to which their internal capabilities enabled them to respond to these external opportunities and threats.

In the first era of globalization, the strategies of multinationals in the developing world Had been straightforward. They had sought access to their resources, and the respective governments had frequently given them exclusive contracts and favorable deals, in order to build businesses. Innovation had rested more in the area of execution, whether engineering feats or building new organizational forms.

As the world de-globalized, the main challenges faced by multinationals were political. Mounting hostility led many firms to divest, and to invest elsewhere. The firms that survived, Were required to build political contacts with local governments, and were required to strengthen their local identities, especially by localizing their managements. There was relatively little attempt to adjust products to markets, although the extension of the direct selling model for the developing Countries were important. There was also relatively little need to adjust to local competition.

In the contemporary global economy, political risks declined with the spread of liberalization and the abandonment of anti-foreign restrictions. There was no sudden reversion to the pre-1929 situation, however, in such major emerging markets as China, corporate strategies needed to carefully manage relations with the government. There were also new types of- political risk, including being sued in American courts for human rights abuses. Developing Countries or at least the larger and more fast growing ones in Asia and Latin America were increasingly seen as indispensable by multinationals for every activity & industry. However there was a growing need in parts of the world, to incorporate local relevance into global products, which was exactly the advantage of new locally owned firms, that were growing to scale, and were becoming multinationals in their own right & shape.

22)Business Models, Business Strategy and Innovation.

David J. Teece. (<http://www.elsevier.com/locate/lrp>) Long Range Planning 43 (2010) 172e194

In this research paper, the researcher has described & discussed about the peculiar business model, a particular business enterprise tries to adopt & its various characteristics & peculiarities & the various implications/advantages, the business enterprise derives from them.

Whenever a business enterprise is established, it either explicitly or implicitly employs a particular business model that describes the design or architecture of the value creation & Delivery and captures a particular mechanism it employs. The essence of a business model is lying in defining the manner in which the enterprise delivers values to customers, entices customers to pay for value, and converts those payments to business profit. It thus reflects management's hypothesis about what customers want, how they want it, and how the enterprise can organize meet those needs in the best manner, get paid for doing so, and make a business profit. The researcher would like to understand the significance of business models and explore their connections with business strategy, innovative management and the applicable economic theory.

All businesses, either explicitly or implicitly employ a particular business model. A business model describes the design or architecture of the value creation, delivery and captures the specific mechanisms, it employed. The essence of a business model is that it crystallizes customer needs and his ability to pay, defines the manner by which the business enterprise responds to and delivers value to customers, entices customers to pay for value, and converts those payments to profit through the proper design and operation of the various elements of the value chain. Put in different way, a business model reflects management's hypothesis about what customers want, how they want it and what they will pay, and how an enterprise can organize to its best, to meet customer needs, and get paid, well for doing so. The goal of this article has been to advance understanding of the considerable significance of business models and to explore their connections to business strategy, innovation management and applicable economic theory.

To be a source of competitive advantage, a business model must be something more than just a good logical way of doing business. A model must be honed to meet particular customer needs. It must also be non-imitable in certain respects, either by virtue of being hard to replicate, or by being unpalatable for competitors to replicate because it would disturb relationships with existing customers, suppliers, or important alliance partners. A business model may be difficult for competitors, to replicate for other reasons too. There may be complicated process steps or strong intellectual property protection, or organizational structures and arrangements may exist that will stand in the way of implementing a new business model. Good business model design and implementation involves assessing such internal factors as well as external factors concerned with customers, suppliers, and the broader business environment.

23)“THE ART OF STRATEGIC MANAGEMENT- A KEY TO SUCCESS IN CORPORATE SECTOR.”

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In this research paper, the researcher has studied the success in corporate sector through strategic management. The researcher has taken the sample of PTCL which is a major Telephone Company in Pakistan.

In recent times world economy has witnessed a lot of dynamism and challenges. The success in corporate sector will depend on management's recognition of the following functions: analyzing the environmental changes, selecting the strategists, helping them to think-creatively, setting objectives, establishing strategies to achieve objectives, assign responsibilities and implementing the strategies, measuring success and evaluating results.

The comparison between the Eastern and Western corporate sector also helped in understanding the role of culture and environment in devising the strategy for the business organization. The paper also examines how proper implementation of the strategic-management in a business organization can provide a solution to ailing corporate firm. The case study of PTCL revealed that a genuine application of strategic management by -implementation of Corporate, Business and Functional strategies enhanced PTCL's-performance and helped it surviving in the competitive environment and regaining the hold on Pakistan's Telecom sector.

Strategic management is the need of organization and also the ongoing debate in literature. Strategic management process is a tool that has been successfully used by the ailing corporate organizations to prepare for the challenges of the future and improve their long term-performance. The organizations can improve the efficiency of the organizations and success of their plans through better analysis approaches and better data collection of the -organization. As in the journal of business strategy, the Strategic management is defined as a process, during-which an organization develops its strategies that begins with missions and visions made tangible as the firm wide goals and objectives. After specifying the firm direction, strategic management proceeds through strategic analysis and planning, formulation of plans and then implementation of the plans, and at last, evaluation of past results.

Every organization handles its strategic management effort differently. Leadership style, maturity of the organization, structure and morale; all of these factors influence how an organization will-approach to its strategic management efforts. But the most important thing in any process is the-implementation of the strategy and its continuous evaluation. These factors help in gauging the-practicality of a plan and will ensure the company works with success and progress.

“The best plan is only a plan, that is, good intentions, unless it degenerates into work. The distinction that marks a plan capable of producing results is the commitment of key people to- work on specific tasks. The test of a plan is whether management actually commits resources to actions which will produce results in the near future. Unless such a commitment is made, there are only promises and hopes, but no plan.”

24)“Effectively linking corporate and business strategy.”

Sample Research Paper.

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The Researcher has tried to investigate the role of human resource management while designing and implementing corporate as well as business level strategies in order to sustain a competitive advantage even in times of crisis and tough situations faced by the organization. In addition, an attempt is made to understand the need of empowering the human resources of an organization and the impact of human resources on positioning of the firm in the dynamic business environment. The Researcher has taken the sample of 3 different Companies for the research purpose.

From the analysis of the three companies each belonging to a different industrial sector, it is quite clear that the problems faced by HR executives and managers in every sector are similar in nature. Difference in styles of operation, production, services and market conditions does not have any effect on the need of efficient HR policies that should be in perfect alignment with the corporate as well as business strategy of the firm. In every sector HR managers confronts with the problem of motivating their employees, to align individual goals with that of the organizational goals. This is necessary for the achievement of organizational goals in an efficient and effective manner. The organizational mind set is likely to push a company around a non-optimal route for strategic development. HR strategy or organization and people strategy has a very big role in helping to shape that mid set, and helping to put in place the attitudes, skills and process, to support the business brand, international expansion, and customer based innovations. HR director of all the three organizations believe that HR strategy has a major role in any cost reduction or major operational changes. Such strategy needs to have a focus on organizational processes as well as skills (e.g. strategic planning, financial appraisal, resource allocation and product development processes). Skills shortage should be a major focus of HR strategy, which is to be tied up with a variety of HR strategic initiatives involving recruitment strategies, rewards and recognitions, career development, company values and styles, and management processes. Unless HR strategy is linked with business strategy, to work in the direction of playing effective role in all these functional areas then strategic drift can easily intensify and accelerate, leading to potential ultimate competitive and financial failure.

Apart from the above conclusion, the analysis and survey of these three companies also reveals that the concept of achieving competitive advantage through human resource of the firm have been established in the practical world. Along with its theoretical importance, the concept is also seriously recognized and being practiced across all industrial sectors on global level. Senior personnel of HR department as well as the top management of the company have recognized the importance of strategic human resources management and human capital management that has resulted in designing of the human resources policies in perfect alignment with the corporate as well as business strategies of the firm. This was the major question set out at the beginning of this research paper and the research paper has been successful in getting a clarity over the issue and prove the implementation of various theoretical aspects discussed under the literature reviews of this paper in the real world situations.

This research paper has dealt primarily with the need of aligning HR policies, programs and strategies with the corporate as well as business strategy of a firm. The paper has been able to highlight some key areas for future research through a demonstration of the value of quantitative as well as qualitative research. One such area of future research may refer to determination of proximity and relationship between the contribution made by HR in an organization and the process of strategy development. It has been found from the present research that the overall contribution of HR towards adding values to the organization is irrefutable and holistic in nature. This is so because the overall effect is much greater than the contribution made in parts. Therefore, it can be said that HR acts as a key element in the organizational structure and an important pillar of corporate as well as business strategies of an organization. Every organization should design strategies at corporate as well as business levels, taking HR as one of the major and most important elements as was done in the cases of the companies analyzed in this research paper.

25) Alleged benefits & evils of the Globalization factor on International Business Strategy

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P.O Box 15726-00100, Nairobi, Kenya. Volume 3 Issue 4, April 2014, www.ijsr.net

The researcher has focused on & has done an extensive research about the so-called alleged benefits & evils of the Globalization factor on International Business Strategy by studying different sectors of the Industry. Further, the rapid spread of globalization and enormous developments in information technology (IT) has led to dramatic changes in the business environment and the business education needs, to be responsive to these changes. The globalizing international companies i.e. companies that first internationalize after the domestic locational existence and then have globalized their operations outside the domestic continent, developed towards standardized product strategies alternatives, wider product assortment, advanced product categories and those corporate real estate companies which need to develop new capabilities to support global business strategies. These include flexibility, network organization and managerial learning capabilities. Globalization has implications for international business strategies and that only those businesses that are able to appropriately respond to the global changes will be able to survive and flourish in the long term period. Findings from this library survey can provide useful theoretical and strategic-related insights into how MNCs can cope up with pressures emanating from globalization.

Globalization has fundamentally changed how business is visualized and conducted. The impact of globalization on business operations is both pervasive and extensive requiring, therefore a review of existing business approaches and the historic rules of thumb (e.g. standard operating- procedures) used in business operations. For example, a globalized business means that business planning at all levels will now require knowledge that is local and global. Understanding of local regulatory requirements is as needful as global consideration of economic activity when setting out the strategic corporate goals. In addition to this, cultural

practices and local customs must be acknowledged when setting in place the required business operations and procedures. Failure to modify the strategies of conducting business operations may result in significant impact on business performance.

Further related & concerned influential events, opportunities, constraints and strategic options relative to strategic decisions need to be considered when businesses operations go global.

All these changes partly due to globalization have impacted on international businesses-operations and hence strategies must be designed to help MNCs to survive and flourish in the global market places. According to Thompson and Strickland, strategy is management game plan for strengthening the organization's position, pleasing customers and achieving-performance related targets. According to Johnson and Scholes, strategy is the direction and scope of an organization over a long term period which achieve advantages for the organization through its configuration of resources within the changing environments, to meet the needs of the market and to fulfill stakeholders' expectations. Strategy is a well-defined roadmap of an organization. It defines the overall mission, vision and direction of an organization. The objective of a strategy is to maximize organization's strengths and to minimize the strengths of the competitors'. Strategy is a management game plan that is aimed at creating a fit between the organization and its various environments. Creation of a fit is important in order for the organization to remain relevant in its business.

The researcher after doing extensive study on the research subject is of the view that-Globalization, certainly has implications on international business strategies in the following manners:-

- i. Findings from the study on product strategies of ICT manufacturers from Small and Open Economies (SMOPECs) indicated that one of the most important factors affecting product-strategy has been the diffusion of global technology related standards.
- ii. As the technology standards become global, it drives strongly towards a standardized-products strategy all across the globe.
- iii. in the cases where the technology standards were still relatively fragmented, the modified-product strategy was selected.
- iv. Furthermore, the analysis revealed that homogenization of customer needs has affected the products strategies. Customer needs have become more similar in the cases that had developed towards standardized strategies.
- v. The experiences of Brazilian firms were parallel to the findings in a recent study that show that the most prevalent strategies for the Chinese exporters is the low-price strategy. As expected, Chinese firms mostly competed on price factor in Brazil by exploiting their advantage in cost structures. This strategy also fits well with the springboard approach and the image that Chinese products have cultivated over the time and which Chinese firms continue to exploit in international markets, also.

vi. Globalization and the entry of Chinese firms not only created opportunities for firms to improve their competencies and performances but also increased competitive intensity in the local markets and have applied pressure on profitability of some of the firms. These findings are in line with the views that globalization can have both beneficial and detrimental effects on local firms.

vii. Faced with stiff competition from Chinese firms, Brazilian firms responded back by becoming more customer oriented and by developing brand equity and differentiating their products on non-price elements. They also expanded the product lines to meet the needs of different customer segments and launched new products at different price points.

viii. The responses of Brazilian firms show that pressures from globalization may induce - businesses to move up, on the value chain by being responsive to evolving market changes.

ix. From the study on corporate real estate strategies, it may be concluded that managers are becoming aware of the need to conceptualize globalization as being location responsive & customizing real estate to country/customer needs to effectively compete with a wide variety of Competitors. In this regard, managers must think globally but act locally, i.e. - “glocalization” in order to develop a well-articulated corporate real estate perspective. Specifically, globalization necessitates the development of new corporate real estate - capabilities that reflect a global mindset which can then evolve into a pluralistic- management capabilities in relation to corporate real estate decision making.

x. From the study on strategic responses to global challenges in business education it may be said that globalization and advancements in IT have placed the role played by business – education entities in enhancing the knowledge base of a country which is under a sharper focus.

xi. To cope up with the new challenges posed by these emerging technologies, business schools must look at business education from a client oriented perspective , by applying a deep learning approach and taking a strategic view , to better align business education with the requirements of the global markets.

Thus, the implications of globalization on international business strategies vary from one-sector to another sector. For instance, the strategic responses to globalization by ICT manufacturers vary from those of other corporate real estate companies, business education firms and firms in Brazil, respectively. Hence no single strategy can help MNCs to survive and to flourish in the peculiar global business environment & situation.

26) “Overcoming change fatigue:-lessons from Glasgow's National Health Service.”

UNIVERSITY OF GLASGOW.

MacIntosh, R. and Beech, N. and McQueen, J. and Reid, I.

Journal of Business Strategy, 28 (6). pp. 18-24. ISSN 0275-6668

<http://eprints.gla.ac.uk/24852/>. Deposited on: 2 February 2010.

The researcher has studied & researched about exploring the practicalities of the organizational changes in the complex settings where many changes have already occurred. It therefore offers the insights into the tackling and the overcoming changes fatigue. The researcher has done a longitudinal study of the changes within the healthcare organization. The researcher reveals about the speed at which changes take place, the importance of communication and the burden which is placed on senior officers during such communication and consultation processes, the use of appropriate external resources and expertise, the benefits of sharing best practices across all the sectors and the role of academic researchers in changing these processes.

The researcher finds that speed is a relative concept & not an absolute concept when applied to organizational changes. A process spanning between 1 and 2 years in duration, actually felt to be frenetic. Obviously, factors such as organizational size and complexity play a part in calibrating your thinking about the pace of the change. Management teams can become exhausted by the communication and consultation burden that the changes bring in the organization. It is crucial to find the creative ways to run the day-to-day business whilst simultaneously changing the said business environment. In many ways, these two are related but distinct tasks which were drawn on different skill sets and need to be separated out for the time being, at least if the changed efforts are not to be swamped by daily operational pressures. Using external resources to target specific gaps in expertise can help to maintain momentum though there are always difficulties experienced with both situations-: securing the funds to use external help and in implanting external advisors into the complex organizational contexts. Looking beyond the narrow confines of your own organizational setting can offer both sources of reassurance and inspiration. The NHS (The National Health Service) managers in this project derived real benefits from full and frank discussions with their colleagues in other public and private sector organizations. Finally, framing your changes & challenges as a research problem might allow you to draw on resources in the business school community and to craft a fruitful collaboration with both academicians and other practitioners.

27) “BUSINESS STRATEGY AND THE MANAGEMENT OF FIRMS”

NBER WORKING PAPER SERIES

Mu-Jeung Yang, Lorenz Kueng, Bryan Hong

Working Paper 20846. <http://www.nber.org/papers/w20846>

NATIONAL BUREAU OF ECONOMIC RESEARCH, 1050 Massachusetts Avenue
Cambridge, MA 02138. January 2015.

The Researchers have done extensive study & research of the various important factors like Business Strategies, Management Practices & the Business-Performance, particularly in Canadian Economy.

Business strategy can be defined as a firm's plan to generate economic profits based on lower cost, better quality, & new products. The analysis of business strategy is- thus at the intersection of market competition and firm's efforts to secure persistently superior performance via

investments in better management and organization. Detailed analysis between the interaction of firms' business strategies and their managerial practices, using a unique, detailed dataset on business strategy, internal firm organization, performance and innovation, which is representative of the entire Canadian economy. The results show that measures of business strategy are strongly correlated with firm's performance, both in the cross section and over the time, and even after controlling for unobserved profit shocks exploiting intermediates utilization. Results are particularly striking for innovation, as firms with some priority in business strategies are significantly & more likely to innovate than the firms without any strategic priority. Furthermore, the analysis highlights that the relationship between strategy and management is driven by two key organizational trade-offs:- employee initiative vs. coordination as well as exploration of novel- business opportunities vs. exploitation of existing profit sources.

The analysis of business strategy is an important area of research for analyzing the- sources of performance differences across the various firms and their implications for aggregate productivity. Three promising areas for ongoing and future research were observed as detailed below:-.

1) Empirical results highlight the need for new heterogeneous firm models with an endogenous choice of business strategies, where low-cost, high-quality, and novelty firms compete in the same product market. The Researchers have developed such a model and traces out its implications for re-allocation and aggregate productivity. Alternative novel theoretical frontiers suggested by the research are new models of endogenous innovation combining business strategy choice with the adoption of- managerial practices. These models could, for instance, combine organizational- exploration vs. exploitation trade-offs as in Manso (2011) with endogenous growth models such as Klette and Kortum (2004) or Acemoglu, Akcigit, Bloom, Kerr and Van Reenen (2013).

2) The analysis of the types of competition differing by business strategy is a- matter of growing interest for the literature in international trade. This idea is best- exemplified by Bloom, Draca and Van Reenen (2012), who analyze the impact of an exogenous shift in low-cost competition from China on innovative activities of- European firms. The related theoretical model in Bloom, Romer, Terry and Van- Reenen (2014b) offers an explanation of these results, based on the idea that labor is stuck in firms hit by low-cost competition, so firms internally reallocate their- workers to R&D. A complementary channel would be that firms with low-cost- strategies switch to either novelty or quality strategies to avoid competing with the- factor price advantages of Chinese competitors. In Kueng, Li and Yang (2014), this idea was empirically explored with the data on business strategies of Canadian firms during the aftermath of China's entry into the WTO.

3) Further empirical work is needed to separate the role of un-observed "managerial Style" from complementarity between strategy and organizational design. Such- empirical work could show whether the patterns which were proposed like represent potentially transferable, disembodied knowledge, or whether they require managers with certain abilities to successfully implement strategies.

28) Strategic Innovation in Management of "Small and Medium-Sized Manufacturing Companies in Rwanda."

East Africa Collaborative Ph.D. Program in Economics and Management.

Ngweshi KAZINGUVU

East Africa Research Papers in Business, Entrepreneurship and Management

EARP-BEM No. 2016:03

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This paper studies & focusses on the necessity of strategic innovations in small & medium-manufacturing sector (in Rwanda) and the opportunities & benefits out of it, if done in time.

Today many small companies are confronted with the challenges of globalization, especially in industries in which foreign, low-cost producers have entered the market and are threatening the survival of existing companies. In addition to this, new government regulations can change a profitable SME business into a nightmare in just a few weeks or months. Changing market conditions thus force smaller firms to adapt or reinvent their businesses through new innovations. At the same time, small firms face several constraints in differentiating their products and changing their business models. SMEs have to turn to new management directions, to ensure their success thus strategic innovations are a logical way for many SMEs, to undertake for their survival.

Innovations are a necessity and also an opportunity for SMEs in Rwanda to succeed in the current competitive & complex market. Much has been written about strategic innovations in large private and public companies but very little has been written about strategic innovations in SMEs. The need of the hour for SMEs is to innovate, to defend their existing competitive position as well as to seek new competitive advantages. Firms can achieve a competitive advantage by creating a competitive business strategy that is consistent with the trends in the firm's industry and appropriate to the firm's resources and capabilities; these can be achieved through innovations. Strategic innovations are the creation of growth strategies, new technology, new services & new ways of doing things or business models that change the game and generate significant new value for consumers/customers and for SMEs. Innovation is the spark that makes good companies greater. It's not just invention but also a style of corporate behavior comfortable with the new ideas and the risks. Companies that know how to innovate do not necessarily throw money into R&D. Instead, they cultivate a new style of corporate behavior that is more comfortable with new ideas, changes, risks and even failures, Firms can use innovations strategically in order to achieve the competitive advantages, compete effectively in local and global markets, adapt their strategies to changing market and customer demands, create value and growth and achieve superior performance therefore a strategic innovation represents an important component of a firm's strategy and is a major contributing factor to its competitive advantage. Consequently, strategic innovation has become a central topic in the strategic management field. A systematic study of this issue should therefore be beneficial for both academic researchers and practitioners which is why our paper studies

strategic innovations in the daily management of SMEs so as to come out with more advanced techniques and factors driving these innovations.

Creating an innovative culture in SMEs is still a long road to travel. Yet, the environment is pushing SMEs to innovate as a sole means of survival in this global village. SMEs' vision is not clear to many of their operational staff members & as a consequence of which, they do not know in which direction they are going. SMEs are largely focusing on harvesting and protecting existing practices rather than paying attention to developing new ideas & concepts.

Risks, mistakes and failures are having zero tolerance limits in innovations study, which discourages most employees to innovate. No curiosity about new things outside their daily work is principally because of lack of corporate support to work for new ideas and ways to protect the business risks. For innovations to become a core competency and a tangible cultural value there has to be a substantial degree of internal consistency between processes, metrics, reward structures and the top management's supportive & positive behavior and it is precisely this synchronicity that is lacking in most of the SMEs. It is in this context that we suggest that SMEs' managements have to create and to incorporate an innovative culture by transmitting the SME's vision and encouraging the staff members to try new things by accepting minimum risks, not punishing mistakes made in innovations and discussing widely any failure with the spirit of learning from it. Everyone can develop the required skills & expertise to creatively solve the day to day corporate & business problems. We further suggest that SMEs should empower the entire work-force to connect all the relevant points seen and unseen for the SME's business success.

29)“Corporate Strategies under Pressures of Globalization: Global focusing”

Klaus E. Meyer. www.klausmeyer.co.uk. k.meyer@bath.ac.uk, March, 2009.

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<http://www.bath.ac.uk/management/research/papers.htm>

Because of the Globalization factor, various Corporates & Business Houses are changing their core Financial & Management Strategies which are instrumental for the growth & development of the Company. The Researcher has taken a detailed review & study of the same in his research Paper by studying the specific cases of the renowned Companies like NOKIA.

The Researcher is of the opinion that on the global stage, competitive advantages are gained by creating, transferring and exploiting competencies across the operations and locations internationally. In consequence, conglomerates are redesigning their strategies to focus on core businesses, yet with a global scope. De-diversification and internationalization thus complement each other in a Process of “global focusing”. This discussion paper outlines the shifts in the relative barriers for business enterprises to entry to countries and industries that have been driving these processes of change in corporate strategies on the global stage. On this

basis, implications of the change in global strategy are derived for decision makers in both business and politics, reflecting the challenges of the global financial crisis.

The researcher further tries to mention about the implications, consequences & different-scenarios which occur because of the Globalization Process mentioned as under:- Conglomerates are re-designing their strategies to focus on narrowly defined core industries with a global scope. Thus, they simultaneously accelerate their internationalization while reducing their product diversification. De-diversification and internationalization thus complement each other in a process of “Global focusing”. This process is driven by shifts in the relative transferability of resources and capabilities across industries and countries due to the globalization of markets, resources, supply chains and business models. These changes in corporate strategies create new challenges for the business leaders and policy makers. Business leaders not only have to manage international competition but also to pursue strategies that create and exploit complementarities and linkages in the global net of their operations. This requires changes of corporate strategies that involve new capabilities and may be risky to implement. Policy makers face businesses that are operating at supra-national levels and thus less likely to react to national policies. Yet national resource endowments, especially human capital, continue to attract business operations and thus national competitiveness.

30) “RESEARCH ON BUSINESS STRATEGY AND PERFORMANCE EVALUATION IN COLLABORATIVE DESIGN.”

International Journal of Electronic Business Management. 6, No. 2, pp. 57-69 (2008) 57

RESEARCH ON BUSINESS STRATEGY AND PERFORMANCE EVALUATION IN COLLABORATIVE DESIGN

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The researcher has studied & discussed about how fast changing business environment & the competition pressure of Globalization are forcing various corporates to go away from business models of the individual management to the cooperation method of collaborative model. The researcher has selected three leading companies in golf, PC server and LCD industries, to write the case study. The research results highlight how collaborative design can build up new business model, make the business more efficient and further improve the business performance.

In today’s globally competitive market, companies must collaborate and communicate with-customers, suppliers, and partners in a complicated & temporary product supply chain, which provides them with a number of challenges. Product design is a complex process, usually requiring- information and knowledge from the diverse sources, to be worked on simultaneously, by a team of designers during the product life cycle. Up to 80% of all the components as produced by original equipment manufacturers (OEMs) are outsourced to the external suppliers. During collaborative product design, it is most important to resolve design specification conflicts early in the design process and create design knowledge to share with the different designers and users. This can lower both the product development lead time and

manufacturing costs, to a great extent. To satisfy delivery requirements, companies must rapidly become familiar with the processes and systems of the new partners and collaborate in a flexible manner.

Effective management of diversity within an evolving supply chain can reduce product design cycles, strengthen supplier and customer relationships and respond more quickly to market-changes. Using these market forces to form new business models and better serve the customer can mean that the companies perform better than those that lack this flexibility.

In an era of knowledge based economy, many major businesses outsourced designs , R&D, - manufacturing and other tasks through virtual integration, in order to satisfy the increasingly-higher standards requested by the customers and to cut down costs, to win more orders. These-businesses, aside from facing a huge amount of complex information, need to communicate with their up-stream and down-stream partners more frequently as well as more closely, which can be achieved best by using collaborative designs. Manufacturers in Taiwan expect for themselves to- transform from the traditional OEM situation to become more ODM-oriented businesses situation.

To realize the expectation, collaborative design can be used to establish an interactive design chain, capitalize on innovative technologies of collaborative e-commerce, enhance R&D and design capabilities and move further from the traditional OEM operation.

When a business management thinks about an applying collaborative design mechanism, its main consideration is what competitive advantages this mechanism will bring about. With the-implementation of collaborative design, businesses management see innovative changes in their operations and improvements in their over-all performance which stimulate energetic communication between the businesses and their partners. Products can be launched to grab early opportunities in the market as a result of shortened processes of product design, R&D and manufacture achieved by collaborative designs. Business competitiveness is therefore strengthened by applying the above-mentioned internal business-related processes.

The application of collaborative design is not merely a technical feasibility but a choice driven by market competition. Collaborative design has been drawing more attention because of the-rapid advancement of information technology in recent years. Customers' demand more from-quality products and efficient R&D, forcing the business to understand their demands better and work with up-stream and down-stream partners on product development function.

When implementing a collaborative design mechanism, the overall business condition must be taken into consideration.

Factors that drive the growth of collaborative design are: - a. Customer demand. b. Competition. & c. Information and communication needs.

Along with the use of collaborative design, innovative changes in business operations and-improvement in business performance stimulate energetic communication between the business and its partner companies. Time span of the product design, the applicable R&D

activities and the actual production is shortened so that products can enter the market and grasp early, business opportunities which enhances business competitiveness & efficiency.

31)“From Strategy to Business Models and to Tactics.”

Ramon Casadesus-Masanell & Joan Enric Ricart

Working Paper 10-036. November 2009.

In his research work, the researcher has mainly focused on the concepts of Strategy & Business Model. The researcher tried to make a point that though both Strategy & Business Model are related concepts, the both can be separated out & considered, separately.

The notion of business model has been used by strategy scholars to refer to “the logic of the firm, the way it operates and how it creates value for its stakeholders.” On the surface, this notion appears to be similar to that of the strategy. To present a conceptual framework, to separate and to relate *business model* and *strategy*. Business model: - it is a reflection of the firm’s realized strategy. To find that in simple competitive situations, there is a one-to-one mapping between the strategy and the business model, which makes it difficult to separate the two notions. It can be shown that the concepts of the strategy and the business model differ when there are important contingencies upon which a well-designed strategy must be based on. Many times, the framework, also delivers a clear separation between the tactics and the strategy. This distinction is possible because the strategy and the business model are different concepts.

It can be concluded that the exercise of designing the new business models is closer to an art than to a science. From an academic point of view, we believe that having clear definitions of the- concepts that we employ and analysis of the concepts is a necessary condition for progress in the field. From the practitioners’ perspective, it is our hope that having an integrative framework that clearly separates the realm of the strategy, the business models, and the tactics will help us to guide the search of novel, interesting, and profitable new ways to compete in today’s competitive & complex business environment.

32)“Leader Business Strategies.”

(www.forumforthefuture.org/sites/default/files/project/downloads/leaderbizstrats)

Profitable today, sustainable tomorrow. David Bent, Stephanie Draper, October 2007. FORUM FOR THE FUTURE.

The researchers have studied about the sustainable Business Strategies that are required to become the Business Leaders. The researchers have discussed about “the Leader Business-Strategies Model” mainly consisting of 3 contents, namely: - 1) The Technology that underpin a business’s offer. 2) The Market where businesses make their offers. & 3) The CONTEXTS

that set the rules of competition. The researchers have discussed all these topics with the different case studies of the Companies like First Choice, Uni-liver etc.

The researchers have come out with the following detailed practical model of Leader Business strategies for the next competitive edge:-

- the **TECHNOLOGIES** that underpin a business's offer, such as 3M's Pollution Prevention Pays, GE's Ecomagination, Caterpillar's engine re-manufacturing or Phillips' radical new-lighting equipment
- the **MARKETS** where businesses make their offer, such as Nike subjecting its supply chain to scrutiny, M & S asking customers to 'Look Behind the Label', Unilever opening up new markets at the Bottom of the Pyramid, or GSH's energy management service;
- the **CONTEXTS** that set the rules of competition such as Unilever's sustainable agriculture Programme, the Climate Change Leaders Forum pushing for better regulation, or the Forest-Stewardship Council, which are set up by collaborating competitors and civil society.

Following are the key approaches to integrate sustainability into strategy:-

Leader Businesses use three key approaches to develop and to integrate the right combination of strategies for sustainability:-

- **PLAN** strategy to include sustainability trends and incorporate them into today's decisions on future business direction;
- **MANAGE** how opportunities are defined and selected so that the potential for emerging sustainability solutions is identified and maximized;
- **EXPERIMENT** with a variety of approaches to learn which yield the best results.

The key messages of this report are straightforward:-

First, sustainability will drive the strategic context for business for the next decade , indeed it already is an important driver.

Second, there is an opportunity for bold actions now, from businesses that are both profitable and creates a sustainable future, anticipating how sustainability will affect the strategic context. Companies who ask "What should our strategy be, in the light of the sustainability?" will have the chance to thrive the sustainability and the profitability; will increasingly be seen as the same thing. The companies that thrive will be current incumbents and new entrant entrepreneurs.

Third, there are Leader Businesses capturing the opportunities in these business strategies, as-summarized in our practical model. The strategies cover the **TECHNOLOGIES** that underpin a business's offer, the **MARKETS** where businesses make their offers and the **CONTEXTS** that set the rules of the competition.

Fourth, you can make sustainability, an opportunity by exploring with the right combination of the strategies.

Leader Businesses are using three key approaches: **PLAN** strategy to include sustainability-trends; **MANAGE** how opportunities are defined and selected; and, **EXPERIMENT** with a variety of approaches, to learn which one yields the best results?

33) THE EFFECTIVENESS OF CORPORATE BRANDING STRATEGY IN MULTI-BUSINESS COMPANIES.

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THE EFFECTIVENESS OF CORPORATE BRANDING STRATEGY IN MULTI-BUSINESS COMPANIES.

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In this paper the researcher has studied & focused on to create a triple dimension model which will assess the effectiveness of the corporate branding strategy which is one of the major corporate strategies with 3 major corporate considerations like reliance, financial position & strategic position.

Managers at the corporate level in multi-business firms that comprise different businesses have to coordinate the activities of multiple business units and consequently face a variety of strategic decisions that concern the overall corporation. One of these strategic decisions involves using corporate branding strategy. The purpose of this paper is to present a model that measures the effectiveness of corporate branding strategy. Strategic business units or SBUs are the autonomous subsidiaries or separate organizational entities which usually have independent missions and objectives and are responsible for serving the particular demand of their segment. They have their own competitors and have a manager who is accountable for its operation, profit, investment and their own strategic development. The SBUs in multi-business companies create value through direct contact with customers and compete in their markets, to generate revenues and profits. The corporate parent acts as an intermediary, influencing the decisions pursued by the businesses and standing between the businesses and those who provide capital for their use. Multi-business companies create value by influencing or parenting the businesses they own. The best parent companies create more value than any of their rivals would, if they owned the same businesses

There are various decisions to be made that are complex in nature, deeply affect the SBUs' - performance and their core directions and are strategically important. Strategic decisions, which are fundamental and developmental decisions as a part of the strategy process, are some choices having chain consequences at the corporation, causally whose involvement level must be carefully controlled by the corporate managers. They are difficult to define and also to assess in terms of performance; they interconnect with other decisions in the corporation and have high ambiguity and uncertainty

An important strategic decision is to build and maintain a favorable and strong brand which in turn will create a desirable external image for the company. Since SBUs have to operate in different industries and different markets, they want their own special brands and logos. The

decision to apply a corporate brand, more generally called an organization brand must be made very carefully because the corporate brand is the identifier of a corporation and is used to support business unit communications. Consumers' perspective of the brand is transferred to other products that are marketed with the parent brand or corporate brand.

The corporate brand is a valuable asset that encompasses the vision, core values, image and actions of the corporation. The corporate brand increases its profitability and sales, reduces its costs and creates a unique position in the marketplace if it is based on a well-run- promotion campaign following an effective corporate branding strategy. Consequently, one crucial decision in multi-business corporations is to determine the use of corporate branding strategy and corporations should assess whether the selected strategy effectively meets the intended outcome or not.

The results of the model showed that the factors determining the effectiveness of corporate brand strategy are related to each constructs in the conceptual model. These findings indicate that we can measure these dimensions to assess the effectiveness of corporate branding strategy. The effectiveness of corporate branding strategy displays itself if the corporation and SBUs are leading up to their intended results. To determine the effectiveness of corporate branding strategy, the paper suggests that companies should assess both corporation and SBU performance as against the business's tangible and intangible criteria such as multiple stakeholders' reliance, financial value and strategic position.

Reliance of multiple stakeholders results from their satisfaction which impacts on the corporation and which has different value and weight. The customers, SBU managers, investors, suppliers, partners, employees, SBU employees, regulators, media, and local community organizations are multiple stakeholders that influence the performance of corporate branding strategy and have different effects on CEO decisions.

SBUs' strategic position results from the corporate brand strategy and causes SBUs to move in the competitive market without any dependency and threat. However, SBUs strategic position depends on several factors such as their special industry, market share, profitability, kind of products and services, sales strategies, SBU performance and capabilities and so on, but the paper suggests assessing three factors for SBU's strategic position:- the sustainability of SBUs' strategic position over time, the parent company's reputation, and the corporate image. These factors show SBUs' strategic position in the market place. They can help managers to investigate the effect of the corporate brand strategy.

34) "INTERNATIONAL BUSINESS STRATEGY- REASONS AND FORMS OF EXPANSION INTO FOREIGN MARKETS."

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In their research paper, the researchers have studied in depth about International Business-Strategy which is being followed by the reputed Global Corporates. The researchers have commented on why only few corporates could succeed in becoming Global ones with global presence & marketing their Products & Services in all the major Countries. The researchers have also studied in detail about the Global Joint Ventures & International Alliances.

During the last half of the twentieth century, many barriers to international trade were discontinued and a wave of firms began pursuing global strategies to gain a competitive advantage. However, some industries were benefited more from globalization than do others and some nations have a comparative more advantage over other nations in certain industries. To create a successful global strategy, managers first must understand the nature of global industries and the dynamics of global competition.

In the international competitive environment, the ability to develop a trans-national organizational capability is the key factor that can help the firm to adapt to the changes in the dynamic environment. As the fast rate of globalization renders the traditional ways of doing business irrelevant, it is vital for managers to have a global mindset, to be effective. Globalization of business has led to the emergence of global strategic management. A combination of strategic management and international business will result in strategies for global cooperation. However, there are obstacles in between which will disturb the progress along the way.

The problems caused by these obstacles can be solved by cooperative ventures based on mutual advantages of the respective parties involved. Proper effective communication will be a key element for global strategies because what is proper and effective in one culture may be ineffective and improper in another. Marketing products globally is complex and difficult because of several factors including International Strategic Alliances, coordination and control of international marketing, communication, regional trade blocks, and choice of global strategy. The firm with the choice of an effective global strategy that takes into consideration both its strengths and weaknesses, in the face of the opportunities and threats in the environment, will only survive & will be more successful.

35) "SURVIVAL STRATEGIES FOR COMPANIES IN GLOBAL BUSINESS WORLD –A CASE STUDY"

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The main purpose of the Researcher to do the research & to write this paper is to find out main strategy that helps some of companies to get them success in competitive world. In the Present era, we face many demands from the global, unpredictable and challenging business world. For surviving, we must achieve productivity while building new and responsive work, providing all the workers opportunities for both high performance and high quality of work life. The very

nature of the dynamic, complex and sometimes unpredictable environments in which we live demand this, people change their tastes and values get changed, government and laws change, unless organization also change, they risk stagnation, decline and even death. With theoretical analysis, we also have referred global banking industry as a case, in order to understand empiric world.

Today's organizational environment is proving to be totally different from that of the past era. As pointed out in all the studies, global competition, information technology, the quality service- revolution and diversity and ethics are forcing management of all types of organizations to totally rethink their approach to both operational and human resources. Because of this paradigm shift, new organizations are emerging that are more responsive to both their internal and external environments. The challenges of continued personal and professional development will have to be met in increasingly dynamic circumstances. The business world at large is embarking on an exciting and unpredicted path towards the future – a path along which both opportunities and risks will be plentiful. Among the many forces of managerial significance, workforce diversity and a changing environments- social, political, economic, and technological have been- especially more important.

The researcher has chosen overall global banking Industry as a focusing point of the study.

After doing an extensive study & research of the global banking sector, the researcher is concluding that Banks are our largest and most diversified intermediaries. Commercial banks hold a special place in our financial system because of the key roles they play in the world economics payment system, their large business financing role and their global activities. Generally, the financial performance of commercial banks in the world over the last decade has been very poor. Commercial bank profit has been very low. Recently, banking has become a- global industry and it is important to consider the world financial system in its global context. International banks play an important role in the foreign exchange market. Banks help transfer- purchasing power from buyers to sellers and from lenders to borrowers. They also provide credit to importers, and reduce the various risks associated with exchange rates. World financial system is currently going through a period of great change. Worldwide, the banking industry is also- experiencing changes, resulting from deregulations, mergers, and increasing competition for- the global businesses. Some of worldwide giants resulted from mergers & acquisitions. Some of the apparent growth in foreign banks is misleading because it reflects conversions of foreign bank assets into U.S. dollars for comparison purpose. The depreciation of the U.S. dollar relative to some other currencies, such as the Japanese yen and British pound, raised the dollar value of foreign banks' assets. For global operations, there are some Turk ones, some Mexican ones, some Greek ones and some Japanese ones. But one factor is certain & that is quality & performance.

36) “Boards of Directors’ Contribution to Strategy: A Literature Review and Research Agenda”

Amedeo Pugliese, Pieter-Jan Bezemer, Alessandro Zattoni, Morten Huse, Frans A.J. Van den Bosch, and Henk W. Volberda. ERIM REPORT SERIES *RESEARCH IN MANAGEMENT*.

Paper Accepted and Forthcoming in Corporate Governance: An International Review.

Publication: - March, 2009. pbezemer@rsm.nl

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In this research paper, the researchers have discussed in detail about the relationship between the Board of Directors of the Company & the Company Business Strategy. It points out the role of the Board of Directors of the Company in deciding & executing the business strategies of the Company & the benefits & advantages, the Company derives from the said process.

Research on boards of directors and the company strategy evolved from normative and structural approaches to the behavioral and cognitive approaches. The results encourage future studies (i) to examine the impact of institutional and context-specific factors on the (expected) contribution of boards to the strategy and (ii) to apply alternative methods to fully capture the impact of board processes and dynamics on strategy making. (iii) Practical/Policy Implications of the business strategy: -The increasing interest in boards of directors' contribution to strategy echoes a movement towards more strategic involvement of boards of directors. However, best governance practices and the emphasis on board's independence and control may hinder the board contribution to the strategic decision making. Our study invites investors and policy makers to consider the requirements for an effective strategic tasks completion when they nominate the board members and develop new regulations.

Review of the literature on boards and business strategy revealed that research on the contribution of boards of directors to strategy has rapidly developed and expanded in the last four decades. Several changes are observed across the different periods in terms of the questions addressed and the methods applied for. The growing attention witnessed in this review can be ascribed both to new challenges companies face in multiple contexts and to the theoretical advancements in the fields of strategic management and corporate governance. Nevertheless, the proliferation of studies and the increasing call for more contributions have not provided a clear answer to the question of 'how boards of directors contribute to strategy?' Despite all the endeavors undertaken in the past, we highlight that the debate on boards and strategy still provides a very promising and challenging research agenda. Corporate governance & the scholars are encouraged to open the black box of board research in order to develop a better understanding of the interactions among macro, meso and micro dynamics and how these forces jointly shape the relationship between boards of directors and the business strategy.

37) "Corporate Strategies under Pressures of Globalization: Global-focusing."

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Businesses across Globe face a continuously changing and increasingly open competitive-environment. In the 1980s, many companies focused on their national markets but served a variety of different industry segments. In the new millennium, such domestic focus has become rare as European integration and globalization have changed the nature of competition. On the global stage, competitive advantages are gained by creating, transferring and exploiting-competencies across operations and locations, internationally.

Businesses thus face enhanced opportunities for international growth, while the benefits of expanding into other industries, domestically, have diminished.

In consequence, conglomerates are redesigning their strategies to focus on narrowly defined core industries with a global scope. Thus, they simultaneously accelerate their internationalization- while reducing their product diversification. De-diversification and internationalization thus- complement each other in the process of “global-focusing”. This process is driven by shifts in the relative transferability of resources and capabilities across industries and countries due to the globalization of markets, resources, supply chains and business models.

These changes in corporate strategies have created new challenges for business leaders and policy makers. Business leaders not only have to manage international competition but also to pursue strategies that create and exploit complementarities and linkages in the global net of their- operations. This requires changes of corporate strategies that involve new capabilities and may be risky to implement. Policy makers face businesses that are operating at supra-national levels, and thus less likely to react to national policies. Yet, national resource endowments, especially human capital, continue to attract business operations and thus national competitiveness.

Corporate strategies integrating operations and leveraging resources on the global stage diminish the scope for national industrial policy. Societies may feel attached to high profile companies- domiciled in their midst, yet this is only partly economically justified.

Most companies keep most of their high value-added activities close to home and it is in the interest of home government to keep it that way. Yet these operations will only be able to realize their full potential if they can interact with operations elsewhere with a minimum of friction. Since business models depend on the effective integration of operations, any government policy that directly or indirectly causes frictions to cross-border activities, such as the movement of goods and people, may negatively affect the competitiveness of such firms.

Thus, policies aiming to induce companies to pursue a particular strategy are likely to have-counterproductive side effects. In particular, a national champion policy aiming to create big domestic firms expected to withstand the challenges from foreign competition may be misplaced. Rather, firms that are best able to utilize the variations across the world are most likely to survive and prosper thus policies that support the international competitiveness of the home-based firm may yield stronger long-term impact.

Host governments aiming to attract & retain activities may rather focus on creating an attractive environment for selected types of high-value added activities and specializations. The location of different operational units of a global specialist is determined by the comparative advantages of different host countries. Hence, host country policies designed to improve dynamic comparative advantages can act as a magnet for multinational firms to locate economic activity. On the other hand, policies aiming to attract all the stages of a value chain are bound to fail.

38) Corporate and business level strategies at MNEs

JONKOPING INTERNATIONAL BUSINESS SCHOOL, JONKOPING UNIVERSITY.

A managerial practice views. Jönköping May, 2012.

Master thesis within Business Administration

Authors: Yury Bogomyagkov & Ievgen Machulskyi, Tutor: Rolf A. Lundin

The Researcher is intending to do a detailed study about the various corporate strategies being followed by the different MNEs (Multi-National Enterprises) all over the Globe, to achieve their corporate goals.

Corporate strategy is a foundation for companies' operations, processes and the ways in which its various businesses will work together, to achieve the particular defined goals. Scholars and managers recognize different levels of strategies for the various organizations. One of the differentiations is based on governance structure of the organization and it divides corporate strategy on two levels: - corporate strategy and business unit strategy. In many cases, some might think that business and corporate dimensions are the same. However, when divided into strategies, there is a difference between these 2 concepts. This especially relates to MNEs (multinational enterprises), with their massive and sometimes complicated business structure and the peculiar set up of their business units spread, all over the world.

This study intends to find out whether and how corporate strategy as whole is employed and engineered in terms of this differentiation at MNEs as well as to explore the additional factors to the well-known ones, affecting strategy development on both levels. Even though, a decent amount of studies have been done on the field, the views on which questions should be answered by corporate level strategies or business unit strategies are significantly different? Hence, in order to develop the proper understanding and also, to contribute to the further research, this study has been undertaken.

The multiple case study method has been chosen for the research undertaken by the researcher.

The notion of corporate strategy lies in defining the general direction for the company. Furthermore, corporate strategy is a process of selection of the possible ways, to achieve the goals & objectives by the company.

Corporate level strategy is value oriented, conceptual and less concrete than the business level strategy. It consists of three dimensions: - “where, when, how”, “knowledge” and “coordination and control”. This level of strategy will most likely be concerned with expectations of the owners and the investors.

Business level strategies are about to take next steps-: to create action plans, aiming to deliver goals stated at corporate level. Their aim is to transfer high-level strategy into execution strategy. The interaction between two levels of strategy works both ways, back and forth. Corporate level strategy affects business level strategy through coordination, control and knowledge sharing. The business level strategy interacts with the corporate strategy through communication of local successful initiatives which can be implemented on other markets.

Two additional factors to be considered in strategy development are government and corporate confidence. The government confidence relates to business level and is external factor. The corporate confidence is an internal characteristic of the organization and can be described as the company’s belief in its products and people.

CHAPTER 3 – RESEARCH METHODOLOGY.

“Research is to see what everybody else has seen and to think what nobody else thought”

Albert Szent-Gyorgyi

“The systematic investigation into and study of materials and sources in order to establish facts and reach new conclusions.”

Why research?

In the modern world, information is omnipresent like cloud. It is down poured through Internet. It is easy, faster and quicker to get the information. Obviously, it helps the researcher and research as such. Research based on such information gathered is put to test further, to verify the veracity of it, based on our hypothesis. It should seek to crystalize your findings within the larger body of research. The research should be always of high quality in order to expand the knowledge and its implications should go beyond the boundaries of the researcher. The findings and result may be positive or negative. Irrespective of its outcome, it expands our skill sets and wisdom and contributes to the body of knowledge. More so it should take you to next level and must raise your bar.

“Before you embark on a new project or attempt to solve a current issue, you have to do the research. Find out who, what, where, when, how much, why, what ifs of your subject. Research is the key to your success. Research can be simple and sometimes even enjoyable if you are passionate about your subject and are determined to make the best of your project.

Introduction

This chapter outlines and expounds the research method used in the study. The purpose of the chapter is to present a broad description of the research design, selection and methods, various

research instruments used for data collection and statistical tools used for data analysis for integration, crystallization and development of findings to achieve the objectives of the study.

Globalization , cut throat competition & cost escalation among the world wide industrial units, different prevailing internal & external factors like technology, political & social conditions, statutory & legal compliances, labour situations etc. has made it compulsory for every industry to opt for cost effective and qualitative solutions to sustain and grow in today's complex & complicated current market situations. During the process of developing competitive advantages and cost-effective products, organizations all over the world mainly face the following challenging situations: - 1) because of the globalization factor, intense competition which makes the survival, a crucial factor. 2) Every business organization has to go for multi-products manufacturing & marketing strategy, to obtain a sustainable profitability & margins. 3) Every business organization has to adopt effective business strategies & to go for consistent improvement in the same for the purpose of achieving the corporate goals & objectives.

To accomplish all the above mentioned objectives logically & in a scientific manner, every professional company is required to follow an efficient & effective strategic management & financial techniques & practices in the form of different accounting, financial, controlling & reporting systems & controls which are not only individually suitable & useful as effective strategic financial & administration techniques and over all efficient operations of the unit but also, are globally comparable & recognised. This is more applicable to the multinational companies which are having their unique nature of their overall operations & challenges which take place in their different units located in different countries, all over the Globe. These companies face different kind of technological, political, social, market related, labour related, legal, statutory, financial, economic situations at different locations in varied countries & is required to face them successfully & to overcome them for successfully running of their all

industrial units working in different environments & situations in different countries, in a professional, efficient & effective manner. These multinational companies make effective use of different strategic administrative & financial techniques & practices like Budgetary Control, SOX Reporting, Accounting Ratios, Different GAAP Analysis techniques, I.F.R.S. Techniques, different domestic & international Accounting Standards, Transfer Pricing Technique, leverage analysis, cash & fund flow analysis & management, verification & audit process etc. to make their overall planning & decision making process more practical & logical, to derive the maximum benefits & advantages for the parent company & all their respective individual group companies located in the different locations & countries of the Globe . The proper use of computer technology particularly that of SAP/ERP Systems has helped these industrial units further & made their overall job easier & more practical.

The global opportunities for growth, associated with the opportunities for expansion of businesses in India & other foreign countries with the requirement of proper application of accounting & financial procedures & systems for the overall operational control & reporting and a continuous process of changes & improvements in the same, as per the business goals & objectives, changing business situations & challenges/opportunities is the real challenge for the Indian & the foreign companies. The various approaches, systems, procedures & policies used by various industries are associated with management problems. Management styles, business environments, legal matters, statutory compliance, banking and finance policies, inbuilt systems & procedures, available professional skills & talents, technology updating , legal & secretarial compliance, Government & Professional support, economic & social background, Association & Federation backing etc. are the key factors which will have a direct impact on the continued success of an organization in the process of application, improvement & consistent usage of the required accounting, financial & administration related effective & efficient controlling & reporting systems & procedures. The real problem for these companies

is not the application of technology but the application of strategic management & financial systems & policies for the overall operational efficiency & effectiveness. The proper usage of the required & available strategic administrative & financial skills and understanding of business environment is a key factor for the success in future for all the Indian & the global professionally run business organizations & particularly, the M.N.C.s in India & all over the Globe.

Keeping in mind, the importance of the strategic administration & financial techniques for effective & efficient performance of the overall operations of the Indian Companies & MNCs, the researcher has selected the subject for further study, detailed research & comparative analysis of the usage of the strategic financial management techniques between large & medium scale Indian Domestic Companies & MNCs of the Engineering sector & operating in & around Pune/Mumbai industrial belt with the following broad & major objectives of the research & analysis:-

1. To study the various prevailing strategic financial & administration systems & procedures and their implications & effects on Indian & M.N.C.s operating in India during the period of F.Y. 2007-08 to 2017-18.
2. The benefits, opportunities & challenges faced & experienced by the Indian & Multi-National Companies during the application & improvement phases of these strategic management & financial techniques & practices.
3. Various ways & means adopted by these Indian & M.N.C.s to overcome these peculiar & unique business challenges.

Initial study

Research Design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring that you will effectively address the research problem; it constitutes the blueprint for the collection, measurement, and analysis of the data. Please, note that your research problem determines the type of design you should use & not the other way around!”

Types of Research for the study

The proponent’s purpose of this research was to demonstrate as to how the different financial & administration related Strategies are being introduced & used in Indian Companies & MNCs in the Engineering sector, to improve upon the overall working efficiency & effectiveness and also, to optimize the overall profitability of these Companies. While analyzing the varied finance & administration related data of these Companies, financial statements analysis has become & is used as an instrumental technique & tool for the required research & study. So, it involved daunting investigation, study & analysis of the different financial statements of the varied Companies over the years & particularly, for the 11 years i.e. F.Y.s 2007-08 to 2017-18.

Hence the research and the study used extensively quantitative approach. In addition, exploratory and descriptive methods also, were applied. In order to understand the objectives of the study further; initially, pilot study was done as per qualitative method. Hence, it became a mixed method of research methodology. The study employed multiple approaches so as to overcome the limitations of different research methods.

It can be any combination for e.g. mixed, descriptive and exploratory. Also, there are more forms of research within the above or without.

Quantitative research

“The use of sampling techniques (such as consumer surveys) whose findings may be expressed numerically and are amenable to mathematical manipulation, enabling the researcher to estimate future events or quantities.”

Quantitative research is “explaining phenomena by collecting numerical data that are analyzed using mathematically based methods (in particular statistics).”

“Quantitative methods emphasize objective measurements and the statistical, mathematical, or numerical analysis of data collected through polls, questionnaires and surveys, OR by manipulating pre-existing statistical data using computational techniques. Quantitative research focuses on gathering numerical data and generalizing it across groups of people or to explain a particular phenomenon.”

Quantitative research is “formal, objective, systematic process in which numerical data are utilized to obtain information about the world”

What are the important characteristics of Quantitative research?

- a. It is totally objective in its approach
- b. It is nothing but empirical investigation of numerical data through statistics or mathematical models
- c. It establishes the relationship between two or more variables
- d. The method can test the hypothesis through the measurement
- e. It involves collection of empirical data, analyzing them through models and then evaluating the results by comparing with the hypothesis
- f. It is normally valid and reliable but depends upon the statistical tools used.
- g. The drawback is large sample size required so that we can get acceptable accuracy.

1) Descriptive Research

It can contain components of both Qualitative and Quantitative research.

Descriptive research describes the situation as it is, with no control over variables.

No data is manipulated as such. It basically describes the different dimensions of a phenomenon or a situation. They may not necessarily give accurate results.

Such research method certainly gives better understandings of the findings and it may throw new facts and meanings.

Only one variable is sufficient for descriptive research which can be described, explained, analyzed and validated. It seeks to describe the current status of an identified variable. These research projects are designed to provide systematic information about a phenomenon. The researcher does not usually begin with a hypothesis but is likely to develop one, after collecting data. The analysis and synthesis of the data provide the test of the hypothesis. Systematic collection of information requires careful selection of the units studied and careful measurement of each variable.

There are three types of descriptive research namely observational methods,

2) Exploratory research

“Investigation into a problem or situation which provides insights to the researcher. The research is meant to provide details where a small amount of information exists. It may use a variety of methods such as trial studies, interviews, group discussions, experiments, or other tactics for the purpose of gaining the information.”

“Exploratory research tends to tackle new problems on which little or no previous research has been done”

“Exploratory research is the initial research, which forms the basis of more conclusive research. It can even help in determining the research design, sampling methodology and data collection method”

1. Exploratory Research is keen to explore something new. It can be innovative product or a new subject or a new angle to an existing topic.
2. The researcher originally defines or conceptualizes a hypothesis for which he or she is trying to find satisfactory answers; He or she gets deep insight after the research and investigation.
3. It helps to formulate appropriate research design and data collection methods.
4. It is broad in concept. Hence it may not give definite answers to the hypothesis which is a specific issue.
5. Exploratory research generates or contributes substantially to the body of knowledge.

3) Explanatory research

- i. It answers the question of “WHY?” by going beyond the contours of descriptive and exploratory research.
- ii. It explains the reasons for a phenomenon which occurs
- iii. It is extensively used for scientific method, to address a complex issue.
- iv. It looks for cause and effect, thereby enriching a theory
- v. It provides sufficient evidences to support or disprove an explanations or principles or predictions.

Data Collection

A) Primary Data

Primary data was collected and analyzed through Questionnaire and personal interview methods being carried out. Researcher has collected the data by asking questions to the Managers or executives of the Companies/Organizations and collected the Primary Data.

Data regarding the highlights of the listed Indian companies are available from public sources and it is in public domain and they are being relied on for the research purpose.

B) Secondary Data

Secondary data was derived from published financial highlights of the Companies. The aim of the data collection was to obtain appropriate data, to achieve the objectives of the study.

The period of the study is from F.Y. 2007-08 to F.Y. 2017-18. It is mainly because of major trends studied about the improvements of the existing financial / management strategies in the Engineering Companies in India & introduction of the new ones in the Companies, where it was not in proper shape & design. The researcher would focus on the Bombay Stock Exchange (BSE) Group Listed Companies, mainly, under the Engineering Sector. The list of the Companies is as follows: -

List of Engineering Companies chosen for the Research
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<u>Sr. No.</u>	<u>Company Name</u>
1	ABC Bearings Ltd.
2	Abee Info-Consumables Ltd.
3	Ador PowerTron Ltd.
4	Ador Welding Ltd.
5	Adroit Industries (I) Ltd.
6	Advance Power Display Systems Ltd.
7	Afsons Industrial Corporation Ltd.
8	Akar Tools Ltd.
9	Alfa Laval (I) Ltd.
10	Allied Asia Gears Ltd.
11	Alpha X-Ray Technologies (India) Pvt. Ltd. [Merged]
12	Anand I-Power Ltd.

13	Ashiyana Auto-bodies Pvt. Ltd.
14	Asia Automotive Ltd.
15	Atlas Castalloy Ltd.
16	Atlas Copco (India) Ltd.
17	Auto-Line Industries Ltd.
18	Automotive Composite Systems(Int.)Ltd.
19	Badve Engineering Ltd.
20	Balkrishna Industries Ltd.
21	Batliboi Ltd.
22	Baumer Technologies India Pvt. Ltd.
23	Bennet, Coleman & Co. Ltd.
24	Bhagheeratha Energy Controls Ltd.
25	Bharat Bijalee Ltd.
26	Bharat Forge Ltd.
27	Bharati Defence & Infrastructure Ltd.
28	Bosch Chassis Systems India Pvt. Ltd.
29	Braddy & Morris Engineering Co. Ltd.
30	Brook Crompton Greeves Ltd.(Merged)
31	C.G.Power & Industrial Solutions Ltd.
32	C.N.H. Industrial (India) Pvt. Ltd.
33	C.T.R. Manufacturing Industries Ltd.
34	Cable Corporation of India Ltd.
35	Carraro India Pvt. Ltd.
36	CEAT Ltd.
37	Condequip Engineer (India) Ltd.
38	Cummins Generater Technologies India Pvt. Ltd.
39	Cummins India Ltd.
40	Dhoot Transmission Pvt. Ltd.
41	Duncan Engineering Ltd.
42	Dwekam Electrodes Pvt. Ltd.
43	E.M.I. Transmission Ltd.
44	Eagleburgmann India Pvt. Ltd.
45	Epitome Components Pvt. Ltd.
46	Euro Multivision Ltd.
47	FairFiels Atlas Ltd.
48	Fiat India Automobiles Pvt. Ltd.
49	FilTron Engineers Ltd.
50	Finolex Cables Ltd.
51	Forbes & Co. Ltd.
52	Force Motors Ltd.
53	Fouress Engineering India Pvt. Ltd.
54	Gabriel India Ltd.
55	Gajre Gears Pvt. Ltd.

56	Gala Precision Technology Ltd.
57	Ghatge Patil Industries Ltd.
58	Govind Rubber Ltd.
59	Greaves Cotton Ltd.
60	H V Transmissions Ltd. [Merged]
61	Haldex India Pvt. Ltd.
62	Hamilton Industries Pvt. Ltd.
63	Hercules Hoists Ltd.
64	Hind Rectifiers Ltd.
65	Hindustan Hardy Spicer Ltd.
66	Huhtamaki P. P. L. Ltd.
67	Hyva (India) Pvt. Ltd.
68	Indian National Press (Bombay) Pvt. Ltd.
69	Industrial Boilers Ltd.
70	Innoventive Industries Ltd.
71	International Auto Ltd. [Merged]
72	John Deere Equipment Pvt. Ltd. [Merged]
73	Jost'S Engineering Co. Ltd.
74	K L T Automotive & Tubular Products Ltd.
75	K S B Pumps Ltd.
76	K S Diesels Ltd.
77	Kabra Extrusion Technik Ltd.
78	Kalyani Forge Ltd.
79	Kalyani Maxion Wheels Pvt. Ltd.
80	Karad Projects & Motors Ltd.
81	Karla Engine Components Ltd.
82	Kinetic Engineering Ltd.
83	Kirloskar Brothers Ltd.
84	Kirloskar Ebara Pumps Ltd.
85	Kryfs Power Components Ltd.
86	Kulkarni Power Tools Ltd.
87	Kusters Calico Machinery Pvt. Ltd.
88	L & T Construction Equipment Ltd.
89	L & T Valves Ltd.
90	Lawkim Ltd. [Merged]
91	Legrand (India) Pvt. Ltd.
92	Lumax Auto Technologies Ltd.
93	Mahindra & Mahindra Ltd.
94	Mahindra C I E Automotive Ltd.
95	Mahindra Gears & Transmissions Pvt. Ltd.
96	Mahindra Sona Ltd.
97	Mahindra Vehicle Mfrs. Ltd.
98	Man Diesel & Turbo India Pvt. Ltd.

99	Man Trucks India Pvt. Ltd.
100	Manugraph India Ltd.
101	Mazagon Dock Shipbuilders Ltd.
102	Menon & Menon Ltd.
103	Menon Pistons Ltd.
104	Mihir Engineers Pvt. Ltd.
105	Mojj Engineering Systems Ltd.
106	Motherson Sumi Systems Ltd.
107	Mubea Automotive Components India Pvt. Ltd.
108	N R Agarwal Inds. Ltd.
109	N R B Bearings Ltd.
110	Nitin Fire Protection Inds. Ltd.
111	Otis Elevator Co. (India) Ltd.
112	Owens-Corning (India) Pvt. Ltd.
113	P M P Auto Components Pvt. Ltd.
114	P M T Machines Ltd.
115	Photoquip (India) Ltd.
116	Pinnacle Industries Ltd.
117	Polycab Wires & Cables Pvt. Ltd.
118	Powerica Ltd.
119	Praj Industries Ltd.
120	Premier Ltd.
121	Premium Transmission Ltd.
122	R S B Transmissions (I) Ltd.
123	Radheya Machining Ltd.
124	Remi Process Plant & Machinery Ltd.
125	Remsons Industries Ltd.
126	Rieco Industries Ltd.
127	S K F India Ltd.
128	S N L Bearings Ltd.
129	Sandvik Asia Pvt. Ltd.
130	Shethia Erectors & Material Handlers Ltd.
131	Siemens Ltd.
132	Simmonds Marshall Ltd.
133	Skoda Auto India Pvt. Ltd.
134	Smita Conductors Pvt. Ltd.
135	Spicer India Pvt. Ltd.
136	Sulzer India Pvt. Ltd.
137	Suzlon Generators Ltd.
138	Tata Autocomp Gy Batteries Pvt. Ltd.
139	Tata Autocomp Systems Ltd.
140	Tata Motors Ltd.
141	Tata Toyo Radiator Ltd.
142	Thermax Ltd.
143	Thyssenkrupp Industries India Pvt. Ltd.
144	Uma Precision Ltd.

145	Uni Klinger Ltd.
146	Universal Construction Machinery & Equipment Pvt. Ltd.
147	V X L Instruments Ltd.
148	Varroc Engineering Pvt. Ltd.
149	Victor Gaskets India Ltd.
150	Voltas Ltd.
151	Wimco Ltd.
152	X L O India Ltd.
153	Yamuna Machine Works Ltd.
154	Yashmun Engineers Ltd.
155	Yazaki India Pvt. Ltd.
156	Z F Steering Gear (India) Ltd.
157	Zenith Computers Ltd.

Criteria for Selection:

- 1) Only engineering companies having their strategic business units (SBUs), Head offices or Plants or other offices or branches located in & around Pune-Mumba locations are taken into consideration for the selection of the sample.
- 2) Amongst the Companies identified above, finally 157 companies were selected for the final research & analysis purpose.
- 3) These 157 companies represented different varied sectors of Operating Engineering Companies in & around Pune-Mumbai.
- 4) Financial- Management performance statistics are taken on the basis of records for 11 years i.e. F.Y. 2007-08 to F.Y. 2017-18.

The following set of Financial & Management Performance Variables were considered for analysis & research purpose: -

<u>Sr.No.</u>	<u>Variables</u>
1	Total Sales
2	Profit Before Tax (P.B.T.)
3	Profit After Tax (P.A.T.)
4	Current Liabilities & Provisions' Amounts.
5	Cash Balance

6	Bank Balance
7	P.B.D.I.T.A. (Profit before depreciation / interest/ tax / other appropriations.)
8	Share-Holders' Funds.
9	P.A.T. Net of P & E.
10	Capital Employed.
11	Interest Expenses.
12	Total Assets.

1) **Notes:**

- All ratio variables have been averaged by using geometrical mean.
- All other nominal/ordinal variables have been averaged by using arithmetical mean.

The two important variables were also, calculated, to have better understanding of the wealth maximization of Indian Companies.

1) **Tobin's Q**

It is a ratio and the model which is a branch of neo classical models. It was conceptualized by Mr. James Tobin of Yale University, a Nobel laureate in economics.

“He hypothesized that the combined market value of all the Companies on the stock market should be about equal to their replacement costs. The Q ratio is calculated as the market value of a company divided by the replacement value of the firm's assets.”

2) **Research Instrumentation**

Researcher used Statistical Data Analysis. Used the description statistics, selected the input range and then tabs like labels/summary statistics/confidence level.

Further the following were considered

- a) **Measure of central tendency** – How the figures are bunched and to find out the center of distribution

(i) Mean (ii) Median

b) **Measure of Spread** – variability or degree to which individual scores are clustered about or deviate from the value in a distribution: -

(i) Standard Deviation (ii) Range

(ii) **Measure of Shape** – To find out as to how the distribution in rises and drops: - (i) Kurtosis (ii) Skewness

Statistical Mean, Median, Mode and Range Definition

“The terms mean, median and mode are used to describe the central tendency of a large data set. Range provides context for the mean, median and mode.

When working with a large data set, it can be useful to represent the entire data set with a single value that describes the "middle" or "average" value of the entire set. In statistics that single value is called the central tendency and mean, median and mode are all ways, to describe it. To find the mean, add up the values in the data set and then divide it by the number of values that you added. To find the median, list the values of the data set in numerical order and identify which value appears in the middle of the list. To find the mode, identify which value in the data set occurs most often. Range, which is the difference between the largest and smallest value in the data set, describes how well the central tendency represents the data. If the range is large, the central tendency is not as representative of the data as it would be if the range was small.”

Source: searchdatacenter.techtarget.com/definition

Standard Deviation

“Standard deviation denotes how far apart, all the numbers are in a set. The standard deviation is calculated by finding the square root of the variance. The standard deviation is a statistic that tells you how tightly all the various examples are clustered around the mean in a set of data. When the examples are pretty tightly bunched together and the bell-shaped curve is steep, the

standard deviation is small. When the examples are spread apart and the bell curve is relatively flat, that tells you have a relatively large standard deviation.”

Source: searchdatacenter.techtarget.com/definition

Skewness

It is a measure of symmetry, or the lack of symmetry. A data set is symmetric if it looks the same to the left and right of the center point. An asymmetrical distribution with a long tail to the right (higher values) has a positive skew. An asymmetrical distribution with a long tail to the left (lower values) has a negative skew.

Kurtosis

It is a statistical measure used to describe the distribution of observed data around the mean. It is at times referred to as the "volatility of volatility." “It describes trends in charts. A high kurtosis portrays a chart with fat tails and a low, even distribution, whereas a low kurtosis portrays a chart with skinny tails and a distribution concentrated toward the mean.

NATURE AND SCOPE OF THE STUDY

The researcher intends to study a relative unknown phenomenon but vogue in practice which is about the existence of the Management & Financial Strategies/ Controls/Systems/Policies/Procedures/Techniques in selected Engineering Companies(both Indian Domestic & M.N.C.) located in & around Pune/Mumbai , mainly through the financial statement analysis & other available input. It should be understood that the research is confined to the contours of Indian domestic & M.N.C. Companies. The fundamental objective of the study was to analyze, scrutinize, identify and examine the financial statement data & other available inputs and to analyze that ‘does it have any relation to financial & administrative strategies of the companies?’ The unresolved issue is that whether the appropriate model for

studying & analyzing the administrative & financial strategies adopted by the Companies, is available or not and was that really helps to the researcher & other interested parties? The researcher also, would like to study the very basic concept and principles of the various financial & administration strategies followed by the Indian domestic & M.N.C. Companies. Hence it embroiled a comprehensive study of the different financial & management strategies adopted by the Indian Domestic & M.N.C. engineering Companies in & around Pune & Mumbai over the number of years, particularly to consider the time frame of eleven years i.e. from F.Y. 2007-08 TO F.Y. 2017-18.

OBJECTIVES OF THE STUDY

Keeping in mind, the importance of the strategic financial management techniques for effective & efficient performance of the overall operations of the Indian Companies & MNCs, the researcher has selected the subject for further study, detailed research & comparative analysis of the usage of the strategic financial management techniques between large & medium scale Indian Companies & MNCs of the Engineering sector & operating in & around Pune/Mumbai industrial belt with the following broad & major objectives of the research & analysis:-

1. To study the various prevailing strategic management & financial systems & procedures and their implications & effects on Indian & M.N.C.s operating in India during the period of F.Y. 2007-08 to 2017-18.
2. The benefits, opportunities & challenges faced & experienced by the Indian & Multi-National Companies during the application & improvement phases of these strategic administration & financial techniques & practices.
3. Various ways & means adopted by these Indian & M.N.C.s to overcome these challenges.

Multi-national company means a company which is operating its day to day major operations at various locations in different countries other than the country of origin.

Similarly, an Engineering company in a brief manner means a company which Performs variety of technical operations & processes whereby the raw material it uses, is converted from its

original form & shape with a specific value addition & the finished product, it produces is used as a raw material for other sector Industries OR Directly sold as a final product.

The researcher has selected the Engineering sector Indian Companies & MNCs because: -1) It is one of the basic industrial sectors in India & all over the globe which supports other industrial sectors. 2) The sector contributes in a major way For the Indian GDP growth & Industrial growth. 3) It is one of the major industrial Sectors which provide variety of employment opportunities & utilizes different skills of Indian man power. 4) It is one of the old & ancient industrial sectors which is working for so many years & will continue to be so and will dominate further the overall development & progress of the Indian Industrial Scenario.

The researcher intends to select the specific engineering Indian companies & MNCs in Pune-Mumbai industrial belt because it is one of the oldest major Engineering related industrial belts in India where majority of the engineering & related Indian Companies & MNCs were originated & currently located.

The term 'strategic financial management technique 'can be briefly defined as those Practices, Systems & Procedures which are generally followed, on day to day basis, by any business organization as an effective strategy for its efficient operational performance & for achieving its pre-defined business & corporate objectives & goals in an optimum manner.

Generally, these techniques, utilized by the business organizations are from Financial & administrative disciplines & are tested & proven ones. These are subject to the day to day scrutiny & observation for any available & possible scope of further improvements in them to make them more effective & scientific.

HYPOTHESES FOR THE STUDY

H₀: There is no significant difference in the financial management strategies applied & used by Indian Companies & MNCs operating in India.

H₁: MNCs operating in India, apply these financial management strategies in a more effective manner, as compared to that of the Indian Companies

Sampling techniques

“The methods used in drawing samples from a population usually in such a manner that the sample will facilitate determination of some hypothesis concerning the population.”

It is short cut method of investigating a small fraction of the whole population of variables. If the population is taken for research it is called census. The result so obtained represents the entire population.

Sampling Techniques

Probability Sampling

“A probability sampling method is any method of sampling that utilizes some form of random selection. In order to have a random selection method, you must set up some process or procedure that assures that the different units in your population have equal probabilities of being chosen. Humans have long practiced various forms of random selection, such as picking a name out of a hat, or choosing the short straw. These days, we tend to use computers as the mechanism for generating random numbers as the basis for random selection.”

www.socialresearchmethod.net

Random sampling

It is the one where each member of the population has an equal chance of being selected. There is no subjectivity.

Stratified sampling

It is commonly used method since it reduces sampling error. A stratum is a subset of the population that shares at least one common characteristic. The example of strata might be males and females. The researcher first identifies the relevant strata and

their representation in the whole population. Random sampling is then used to select a sufficient or large enough number of subjects from each stratum.

Non-Probability Sampling

“A type of unit sampling where it is not known which of the units will be picked to be sampled, and where some of the units have a zero probability of being chosen.”

Source: [www.businessdictionary.com/definition/non-probability](http://www.businessdictionary.com/definition/non-probability-sample) sample.

It is a sampling method where mathematical guidelines are not used. You cannot generalize from data gathered. It is a good tool and quite common in qualitative method of research.

Sampling technique used in the research:

The researcher used probability representative sampling technique to draw statistical inference.

The researcher was interested in studying a relative unknown phenomenon but vogue in practice which is about the existence of the Financial & Management Strategies / Controls / Systems / Policies / Procedures / Techniques in selected Engineering Companies (both Indian Domestic & M.N.C.) located in & around Pune/ Mumbai, mainly through the financial statement analysis & other available input. It should be understood that the research is confined to the contours of Indian domestic & M.N.C. Companies. The fundamental objective of the study was to analyze, scrutinize, identify and examine the financial statement data & other available inputs and to analyze that ‘does it have any relation to administrative & financial strategies of the companies?’ The unresolved issue is that whether the appropriate model for studying & analyzing the management & financial strategies adopted by the Companies, is available or not and was that really helps to the researcher & other interested parties? The researcher also, would like to study the very basic concept and principles of the various

financial & management strategies followed by the Indian domestic & M.N.C. Companies. Hence it embroiled a comprehensive study of the different administrative & financial strategies adopted by the Indian Domestic & M.N.C. engineering Companies in & around Pune & Mumbai over the number of years, particularly to consider the time frame of eleven years i.e. from F.Y. 2007-08 TO F.Y. 2017-18 .

The engineering companies having their SBU or Head offices or Plants or branches or sales/marketing/administrative offices located in & around Pune / Mumbai were selected as samples. All the engineering companies that were selected on the captioned criteria as a Group was considered as the population. The exploration and inspection of the financial statements & other useful inputs reflected the phenomenon in research. The sample size was 157 engineering companies being representative of the whole engineering sector Companies located in & around Pune/Mumbai.

Data Analysis

- 1) Data has been analyzed based on the secondary data of financial statements & other useful inputs of 157 engineering companies in & around Pune / Mumbai.
- 2) Further key ratios and statistics have been worked out and statistical tools have been employed to narrow the findings.
- 3) Based on the statistical analysis, all companies have been chosen since they exhibit abnormal tendencies for further study, to analyze and find out the possible reasons, causes and effects.

Limitations of the research study

The research study was done to make impartial study, analysis & assessment of the financial & administrative strategies, prevalent in the engineering companies located in & around Pune

/ Mumbai on the basis of the financial statements' analysis & the detailed study of the other related available inputs. However, there are number of limitations to be weighed along with the study.

- 1) Primary data was not collected since the researcher opined that the primary data may not be appropriate for this type of research, the data so obtained may not be reliable and accurate and the cost of obtaining the data will be unwieldy.
- 2) Secondary data was obtained but it has its own limitations. They were as follows: -
 - a) Sourced the data from Database of financial statements of the Indian domestic & M.N.C. Engineering Companies as given by PROWESS of Center for monitoring Indian economy (CMIE). However, external validity of the data is not considered as limitation.
 - b) 157 engineering Companies were identified from the available list as the required sample population. The researcher did not take all Engineering Companies that are included in BSE SENSEX, NIFTY & Other Reliable Data Sources.
 - c) The Indian & MNC engineering Companies were chosen to represent the sector, to the extent possible. However, the whole engineering sector was not given equal representation.
 - d) The companies were not chosen on the basis of large cap, midcap or small cap nor on the basis of market capitalization.
 - e) Uniformly, the researcher tried to cover the same time period for the input data of the whole sample size, to the extent possible.
- 3) Extensive statistical tools have been used to narrow the findings, to converge with the hypothesis. However, the conventional constraints of statistical models could not be

avoided. Also, the inferences built in the statistical models prevail such as central tendency, distributions, correlation trends and variables.

Various References: -

- 1) De Vaus, D. A. Research Design in Social Research. London: SAGE, 2001;
Trochim, William M.K. Research Methods Knowledge Base. 2006.
- 2) www.businessdictionary.com
- 3) (Aliaga & Gunderson, 2002)
- 4) Babbie, Earl R. "The Practice of Social Research" 12th ed. Belmont, CA:
Wadsworth Cengage, 2010;
- 5) Muijs, Daniel. "Doing Quantitative Research in Education with SPSS" 2nd edition.
London: SAGE Publications, 2010.
- 6) Burns N and Grove S.K 2003:23
- 7) www.businessdictionary.com
- 8) Brown, 2006, p.43.
- 9) Singh, 2007, p.64.

Chapter No.4: - Data Analysis & Interpretations.

1) Reliability

Notes		
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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on all cases with valid data for all variables in the procedure.
Syntax		RELIABILITY /VARIABLES=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE CAPEMPLOYED TOTALASSETS INTERESTEXP PAT CASHTOCL INTERESTCOVER ROCE DOL DFL DCL /SCALE('ALL VARIABLES') ALL /MODEL=ALPHA /STATISTICS=HOTELLING.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.03

2) Scale: ALL VARIABLES

Case Processing Summary			
		N	%
Cases	Valid	158	100.0
	Excluded ^a	0	.0
	Total	158	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.837	.903	19

Cronbach's alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered as a measure of scale reliability. A “high” value for alpha implies that the measure is unidimensional. Here the data is reliable as the Cronbach Alpha is high at 0.837.

Hotelling's T-Squared Test

Hotelling's T-Squared	F	df1	df2	Sig
2355.773	116.705	18	140	.000

```
STATS CANCORR SET1=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE
CAPEEMPLOYED
TOTALASSETS INTERESTEXP PAT SET2=CASHTOCL INTERESTCOVER ROCE DOL DFL DCL
/OPTIONS COMPUTECVARS=NO
/PRINT PAIRWISECORR=NO LOADINGS=YES VARPROP=YES COEFFICIENTS=YES.
```

3) Descriptive Statistics

Notes

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	File	
Missing Value Handling	Definition of Missing	User defined missing values are treated as missing.
	Cases Used	All non-missing data are used.

Syntax		DESCRIPTIVES VARIABLES=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE CAPEEMPLOYED TOTALASSETS INTERESTEXP PAT CASHTOCL INTERESTCOVER ROCE DOL DFL DCL /STATISTICS=MEAN STDDEV MIN MAX.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.03

[DataSet1] E:\PH.D. DATA\KALE MANOHAR TMV\KALE SPSS 3.sav

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
SALES	158	3.75	619971.42	17929.6944	64536.35337
PBT	158	-6591.75	47112.84	1616.1709	5856.26085
CLP	158	10.35	296533.56	8627.6901	33105.04531
CASH	158	.00	4888.62	94.4352	556.49713
BANKBAL	158	.00	56247.78	991.7819	4824.30679
CASHBANK	158	.00	56248.35	1086.2170	4988.37573
PBDITA	158	-86.46	61338.32	2583.7170	8241.65972
SHFUNDS	158	-580.31	235097.10	7587.9618	25661.93142
PATNETOFPE	158	-4248.39	35072.15	1023.1128	4093.49699
CAPEEMPLOYED	158	-81.86	448025.01	11097.9757	41503.32367
TOTALASSETS	158	26.84	699080.39	19876.7024	69732.29881
INTERESTEXP	158	.00	11557.44	238.9233	1011.32831
PAT	158	-5288.03	36365.87	1151.0817	4344.18380
CASHTOCL	158	.00	.89	.0863	.13139
INTERESTCOVER	158	-13.82	2275.88	69.8418	224.18286
ROCE	158	-.42	.37	.0741	.11542
DOL	158	-114.51	109.14	1.6703	13.94368
DFL	158	-13.29	5.46	1.2413	1.27010
DCL	158	-326.40	73.39	-.6527	28.18918
Valid N (listwise)	158				

The above table shows the Mean values of Sales, PBT, CLP, Cash, Bankbal, Cashbank, PBITA, SHFunds , Patentofpe, Capemployed, Totalassets, Interestexp, PAT, Cashtocl, Interestcover, ROCE, DOL, DFL, DCL are 17929, 1616, 8627, 94, 991, 1086, 2583, 7587, 1023, 11097, 19876, 238, 1151, 0.086, 69, 0.074, 1.67, 1.24, -0.652 respectively and the

Standard deviation of Sales, PBT, CLP, Cash, Bankbal, Cashbank, PBITA, SHFunds, Patentofpe, Capemployed, Totalassets, Interestexp, PAT, Cashtocl, Interestcover, ROCE, DOL, DFL, DCL are 64536, 5856, 33105, 556, 4824, 4988, 8241, 25661, 4093, 41503, 69732, 1011, 4344, 0.13, 224, 0.11, 13, 1.27 and 28 respectively which is higher than that of the mean values which means that the data is of wide range.

Thus, the selected data is of wide range and acceptable for the analysis

```
T-TEST PAIRS=DOL DOL DFL CASHTOCL ROCE WITH DFL DCL DCL INTERESTCOVER DCL
(PAIRED)
/CRITERIA=CI(.9500)
/MISSING=ANALYSIS.
```

4)T-Test

Notes		
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	File	
Missing Value Handling	Definition of Missing	User defined missing values are treated as missing.
	Cases Used	Statistics for each analysis are based on the cases with no missing or out-of-range data for any variable in the analysis.
Syntax		T-TEST PAIRS=DOL DOL DFL CASHTOCL ROCE WITH DFL DCL DCL INTERESTCOVER DCL (PAIRED) /CRITERIA=CI(.9500) /MISSING=ANALYSIS.
Resources	Processor Time	00:00:00.00
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[DataSet1] E:\PH.D. DATA\KALE MANOHAR TMV\KALE SPSS 3.sav

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	DOL	1.6703	158	13.94368	1.10930
	DFL	1.2413	158	1.27010	.10104
Pair 2	DOL	1.6703	158	13.94368	1.10930
	DCL	-.6527	158	28.18918	2.24261
Pair 3	DFL	1.2413	158	1.27010	.10104
	DCL	-.6527	158	28.18918	2.24261
Pair 4	CASHTOCL	.0863	158	.13139	.01045
	INTERESTCOVER	69.8418	158	224.18286	17.83503
Pair 5	ROCE	.0741	158	.11542	.00918
	DCL	-.6527	158	28.18918	2.24261

Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	DOL & DFL	158	-.155	.052
Pair 2	DOL & DCL	158	.042	.603
Pair 3	DFL & DCL	158	.940	.000
Pair 4	CASHTOCL & INTERESTCOVER	158	.297	.000
Pair 5	ROCE & DCL	158	.082	.306

		Paired Differences			
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference
					Lower
Pair 1	DOL - DFL	.42905	14.19627	1.12939	-1.80172
Pair 2	DOL - DCL	2.32304	30.92416	2.46019	-2.53631
Pair 3	DFL - DCL	1.89399	26.99849	2.14788	-2.34849
Pair 4	CASHTOCL - INTERESTCOVER	-69.75551	224.14383	17.83193	-104.97693

Pair ROCE - DCL	.72684	28.17995	2.24188	-3.70130
5				

Paired Samples Test

		Paired Differences	t	df	Sig. (2-tailed)
		95% Confidence Interval of the Difference			
		Upper			
Pair 1	DOL – DFL	2.65982	.380	157	.705
Pair 2	DOL – DCL	7.18239	.944	157	.346
Pair 3	DFL – DCL	6.13647	.882	157	.379
Pair 4	CASHTOCL – INTERESTCOVER	-34.53408	-3.912	157	.000
Pair 5	ROCE – DCL	5.15497	.324	157	.746

In the above paired sample statistics, the mean for DOL-DFL, DOL-DCL, CASHTOCL-INTERESTCOVER, ROCE-DCL is 1.67-1.24, 1.67--0.65, 1.24--0.65, 0.08-69.84, 0.074- -0.65. The number of participants in each condition (N) is 158. The paired sample test contains the result of the paired sample t-test conducted. The Sig. (2-tailed) value is 0.001 for CASHTOCL-INTERESTCOVER. This value is less than $\alpha = 0.05$.

There is a statistically significant relationship between CASHTOCL-INTERESTCOVER.

Hence, there exists a relationship between CASHTOCL-INTERESTCOVER.

The interest coverage ratio is used to determine how easily a company can pay their interest expenses on outstanding debt and cash to current liabilities determines the liquidity position.

Hence, the liquidity position is good.

CORRELATIONS

```
/VARIABLES=CASHTOCL INTERESTCOVER ROCE DOL DFL DCL
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5) Correlations

Notes

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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax	CORRELATIONS /VARIABLES=CASHTOCL INTERESTCOVER ROCE DOL DFL DCL /PRINT=TWOTAIL NOSIG /MISSING=PAIRWISE.	
Resources	Processor Time	00:00:00.00
	Elapsed Time	00:00:00.03

		CASHTOC L	INTERESTC OVER	ROCE	DOL
CASHTOCL	Pearson Correlation	1	.297**	.236**	.002
	Sig. (2-tailed)		.000	.003	.980
	N	158	158	158	158
INTERESTCOV ER	Pearson Correlation	.297**	1	.276**	-.004
	Sig. (2-tailed)	.000		.000	.957
	N	158	158	158	158
ROCE	Pearson Correlation	.236**	.276**	1	.014
	Sig. (2-tailed)	.003	.000		.861
	N	158	158	158	158

DOL	Pearson				
	Correlation	.002	-.004	.014	1
	Sig. (2-tailed)	.980	.957	.861	
	N	158	158	158	158
DFL	Pearson				
	Correlation	-.013	.049	.166*	-.155
	Sig. (2-tailed)	.874	.538	.037	.052
	N	158	158	158	158
DCL	Pearson				
	Correlation	-.040	.030	.082	.042
	Sig. (2-tailed)	.615	.711	.306	.603
	N	158	158	158	158

To test the correlation between the selected variables Pearson's correlation was used which is reflected in the above table. There exists a strong correlation between CASHTOCL and INTERSTCOVER, ROCE, DOL; INTERSTCOVER and CASHTOCL; ROCE and CASHTOCL, INTERSTCOVER; DFL and ROCE, DOL; as the sig alpha < 0.05.

The DOL ratio assists analysts in determining the impact of any change in sales on company earnings. Return on capital employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is used. The degree of financial leverage (DFL) is a leverage ratio that measures the sensitivity of a company's earnings per share to fluctuations in its operating income, as a result of changes in its capital structure.

This ratio indicates that the higher the degree of financial leverage, the more volatile earnings will be.

It thus, implies that profitability, liquidity and market sensitivity are interrelated.

Correlations			DFL	DCL
CASHTOCL	Pearson Correlation		-.013	-.040
	Sig. (2-tailed)		.874	.615
	N		158	158
INTERESTCOVER	Pearson Correlation		.049	.030
	Sig. (2-tailed)		.538	.711
	N		158	158
ROCE	Pearson Correlation		.166*	.082
	Sig. (2-tailed)		.037	.306
	N		158	158
DOL	Pearson Correlation		-.155	.042
	Sig. (2-tailed)		.052	.603

	N	158	158
DFL	Pearson Correlation	1	.940**
	Sig. (2-tailed)		.000
	N	158	158
DCL	Pearson Correlation	.940**	1
	Sig. (2-tailed)	.000	
	N	158	158

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

To further test the correlation between the selected variables Pearson's correlation was used which is reflected in the above table. There exists a strong correlation between CASHTOCL and INTERSTCOVER, ROCE, DOL; INTERSTCOVER and CASHTOCL; ROCE and CASHTOCL, INTERSTCOVER; DFL and ROCE, DOL; as the sig alpha < 0.05. It thus, implies that profitability, liquidity and market sensitivity are interrelated.

NONPAR CORR

```

/VARIABLES=CASHTOCL INTERSTCOVER ROCE DOL DFL DCL
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/MISSING=PAIRWISE.

```

6) Nonparametric Correlations

Notes		
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Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.

Syntax		NONPAR CORR /VARIABLES=CASHTOCL INTERESTCOVER ROCE DOL DFL DCL /PRINT=SPEARMAN TWOTAIL NOSIG /MISSING=PAIRWISE.	
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	Elapsed Time		00:00:00.02
	Number of Cases Allowed	349525 cases ^a	

a. Based on availability of workspace memory

Correlations

			CASHT OCL	INTERES TCOVER				
Spearman's rho	CASHTOCL	Correlation	1.000	.361**				
		Coefficient						
		Sig. (2-tailed)						
		N						
	INTERESTCOVER	Correlation	.361**	1.000				
		Coefficient						
		Sig. (2-tailed)						
		N						
	ROCE	Correlation	.363**	.796**				
		Coefficient						
		Sig. (2-tailed)						
		N						
	DOL	Correlation	-.014	-.013				
		Coefficient						
		Sig. (2-tailed)						
		N						
	DFL	Correlation	.134	.372**				
		Coefficient						
		Sig. (2-tailed)						
		N						
	DCL	Correlation	.012	.070				
		Coefficient						
		Sig. (2-tailed)						
		N						

To test the correlation between the selected variables Spearman's rho was used which is reflected in the above table. There exists a strong positive correlation between CASHTOCL and INTERSTCOVER; ROCE and CASHTOCL, INTERSTCOVER; DFL, and INTERSTCOVER DOL and CASHTOCL, INTERSTCOVER exists a negative correlation; as the sig alpha < 0.05.

It thus, implies that profitability, liquidity and market sensitivity are interrelated.

Correlations			ROCE	DOL	DFL	
Spearman's rho	CASHTOCL	Correlation Coefficient	.363**	-.014	.134	
		Sig. (2-tailed)	.000	.859	.094	
		N	158	158	158	
	INTERESTCOVER	Correlation Coefficient	.796**	-.013	.372**	
		Sig. (2-tailed)	.000	.870	.000	
		N	158	158	158	
	ROCE	Correlation Coefficient	1.000	-.024	.401**	
		Sig. (2-tailed)	.	.768	.000	
		N	158	158	158	
	DOL	Correlation Coefficient	-.024	1.000	.443**	
		Sig. (2-tailed)	.768	.	.000	
		N	158	158	158	
	DFL	Correlation Coefficient	.401**	.443**	1.000	
		Sig. (2-tailed)	.000	.000	.	
		N	158	158	158	
	DCL	Correlation Coefficient	.071	.848**	.678**	
		Sig. (2-tailed)	.374	.000	.000	
		N	158	158	158	

To test the correlation between the selected variables Spearman's rho was used which is reflected in the above table. There exists a strong positive correlation between CASHTOCL and ROCE, DOL, DFL; INTERESTCOVER and ROCE, DOL, DFL; as the sig alpha < 0.05. It thus, implies that profitability, liquidity and market sensitivity are interrelated.

Correlations

			DCL
Spearman's rho	CASHTOCL	Correlation Coefficient	.012

	Sig. (2-tailed)	.882
	N	158
INTERESTCOVER	Correlation Coefficient	.070
	Sig. (2-tailed)	.385
	N	158
ROCE	Correlation Coefficient	.071
	Sig. (2-tailed)	.374
	N	158
DOL	Correlation Coefficient	.848**
	Sig. (2-tailed)	.000
	N	158
DFL	Correlation Coefficient	.678**
	Sig. (2-tailed)	.000
	N	158
DCL	Correlation Coefficient	1.000
	Sig. (2-tailed)	.
	N	158

** Correlation is significant at the 0.01 level (2-tailed).

CORRELATIONS

```

/VARIABLES=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE
CAPEMPLOYED TOTALASSETS
INTERESTEXP PAT
/PRINT=TWOTAIL NOSIG
/MISSING=PAIRWISE.

```

To further test the correlation between the selected variables Spearman's rho was used which is reflected in the above table. There exists a strong correlation between DFL, DOL and DCL as the sig alpha < 0.05. It thus, implies that profitability, liquidity and market sensitivity are interrelated.

7) Correlations

Notes		
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	File	158

Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax		CORRELATIONS /VARIABLES=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE CAPEMPLOYED TOTALASSETS INTERESTEXP PAT /PRINT=TWOTAIL NOSIG /MISSING=PAIRWISE.
Resources	Processor Time	00:00:00.00
	Elapsed Time	00:00:00.10

		SA LE S	PB T	CL P	CA SH	BAN KBA L	CAS HBA NK
SALES	Pearson Correlation	1	.72 7**	.67 8**	.89 4**	.293 **	.383**
	Sig. (2-tailed)		.00 0	.00 0	.00 0	.000	.000
	N	158	158	158	158	158	158
PBT	Pearson Correlation	.72 7**	1	.45 2**	.64 2**	.369 **	.428**
	Sig. (2-tailed)	.00 0		.00 0	.00 0	.000	.000
	N	158	158	158	158	158	158
CLP	Pearson Correlation	.67 8**	.45 2**	1	.58 9**	.836 **	.874**
	Sig. (2-tailed)	.00 0	.00 0		.00 0	.000	.000
	N	158	158	158	158	158	158
CASH	Pearson Correlation	.89 4**	.64 2**	.58 9**	1	.242 **	.346**
	Sig. (2-tailed)	.00 0	.00 0	.00 0		.002	.000

	N	158	158	158	158	158	158
BANKB	Pearson	.29	.36	.83	.24		
AL	Correlation	3**	9**	6**	2**	1	.994**
	Sig.	.00	.00	.00	.00		
	(2-tailed)	0	0	0	2		.000
	N	158	158	158	158	158	158
CASHB	Pearson	.38	.42	.87	.34	.994	
ANK	Correlation	3**	8**	4**	6**	**	1
	Sig.	.00	.00	.00	.00		
	(2-tailed)	0	0	0	0	.000	
	N	158	158	158	158	158	158
PBDIT	Pearson	.94	.88	.65	.83	.359	
A	Correlation	7**	5**	6**	2**	**	.440**
	Sig.	.00	.00	.00	.00		
	(2-tailed)	0	0	0	0	.000	.000
	N	158	158	158	158	158	158
SHFUN	Pearson	.97	.75	.69	.92	.324	
DS	Correlation	5**	2**	0**	2**	**	.416**
	Sig.	.00	.00	.00	.00		
	(2-tailed)	0	0	0	0	.000	.000
	N	158	158	158	158	158	158
PATNE	Pearson	.72	.98	.42	.66	.332	
TOFPE	Correlation	5**	7**	5**	0**	**	.395**
	Sig.	.00	.00	.00	.00		
	(2-tailed)	0	0	0	0	.000	.000
	N	158	158	158	158	158	158
CAPE	Pearson	.96	.58	.70	.88	.268	
MPLOY	Correlation	3**	5**	5**	3**	**	.358**
ED	Sig.	.00	.00	.00	.00		
	(2-tailed)	0	0	0	0	.001	.000
	N	158	158	158	158	158	158
TOTAL	Pearson	.91	.59	.90	.82	.574	
ASSET	Correlation	1**	0**	6**	1**	**	.647**
S	Sig.	.00	.00	.00	.00		
	(2-tailed)	0	0	0	0	.000	.000

	N	158	158	158	158	158	158
INTERESTEXP	Pearson	.77	.20	.62	.65	.151	.219**
	Correlation	1**	8**	7**	9**		
	Sig.	.00	.00	.00	.00	.058	.006
	(2-tailed)	0	9	0	0		
	N	158	158	158	158	158	158
PAT	Pearson	.74	.99	.44	.66	.361	.423**
	Correlation	0**	9**	9**	4**	**	
	Sig.	.00	.00	.00	.00	.000	.000
	(2-tailed)	0	0	0	0		
	N	158	158	158	158	158	158

		PBDIT A	SHFUN DS	PATNETO FPE	CAPEMPL OYED
SALES	Pearson	.947**	.975**	.725**	.963**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
PBT	Pearson	.885**	.752**	.987**	.585**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
CLP	Pearson	.656**	.690**	.425**	.705**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
CASH	Pearson	.832**	.922**	.660**	.883**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
BANKBAL	Pearson	.359**	.324**	.332**	.268**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.001
	N	158	158	158	158
CASHBANK	Pearson	.440**	.416**	.395**	.358**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158

PBDITA	Pearson	1	.960**	.874**	.890**
	Correlation				
	Sig. (2-tailed)		.000	.000	.000
	N	158	158	158	158
SHFUNDS	Pearson	.960**	1	.750**	.965**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
PATNETOF PE	Pearson	.874**	.750**	1	.589**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
CAPEMPLO YED	Pearson	.890**	.965**	.589**	1
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
TOTALASS ETS	Pearson	.860**	.919**	.576**	.937**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
INTERESTE XP	Pearson	.627**	.743**	.208**	.887**
	Correlation				
	Sig. (2-tailed)	.000	.000	.009	.000
	N	158	158	158	158
PAT	Pearson	.889**	.762**	.990**	.596**
	Correlation				
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158

Correlations

		TOTALASSETS	INTERESTEXP	PAT
SALES	Pearson Correlation	.911**	.771**	.740**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
PBT	Pearson Correlation	.590**	.208**	.999**
	Sig. (2-tailed)	.000	.009	.000
	N	158	158	158
CLP	Pearson Correlation	.906**	.627**	.449**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
CASH	Pearson Correlation	.821**	.659**	.664**

	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
BANKBAL	Pearson Correlation	.574**	.151	.361**
	Sig. (2-tailed)	.000	.058	.000
	N	158	158	158
CASHBANK	Pearson Correlation	.647**	.219**	.423**
	Sig. (2-tailed)	.000	.006	.000
	N	158	158	158
PBDITA	Pearson Correlation	.860**	.627**	.889**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
SHFUNDS	Pearson Correlation	.919**	.743**	.762**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
PATNETOFPE	Pearson Correlation	.576**	.208**	.990**
	Sig. (2-tailed)	.000	.009	.000
	N	158	158	158
CAPEMPLOYED	Pearson Correlation	.937**	.887**	.596**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
TOTALASSETS	Pearson Correlation	1	.815**	.596**
	Sig. (2-tailed)		.000	.000
	N	158	158	158
INTERESTEXP	Pearson Correlation	.815**	1	.218**
	Sig. (2-tailed)	.000		.006
	N	158	158	158
PAT	Pearson Correlation	.596**	.218**	1
	Sig. (2-tailed)	.000	.006	
	N	158	158	158

** . Correlation is significant at the 0.01 level (2-tailed).

```

NONPAR CORR
  /VARIABLES=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE
  CAPEMPLOYED TOTALASSETS
  INTERESTEXP PAT
  /PRINT=SPEARMAN TWOTAIL NOSIG
  /MISSING=PAIRWISE.

```

To further test the correlation between the selected variables Pearson's correlation was used which is reflected in the above table. There exists a strong correlation between SALES, PBT, CLP, CASH, BANKBAL, CASHBANK and PBDITA, PATNETOFPE, SHFUNDS, CAPEMPLOYED, INTERESTEXP and TOTALASSETS ; as the sig alpha < 0.05.

It thus, implies that profitability, liquidity, shareholders' funds and market sensitivity are interrelated.

8) Nonparametric Correlations

Notes			
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Comments			
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	Cases Used		Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax			NONPAR CORR /VARIABLES=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE CAPEMPLOYED TOTALASSETS INTERESTEXP PAT /PRINT=SPEARMAN TWOTAIL NOSIG /MISSING=PAIRWISE.
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	Number of Cases Allowed		196608 cases ^a

a. Based on availability of workspace memory

	SA			
	LE	PB	CL	CA
	S	T	P	SH

Spearman's rho	SALES	Correlation	1.0	.74	.95	.60
		Coefficient	.00	.7**	.2**	.2**
		Sig. (2-tailed)		.000	.000	.000
		N	15	15	15	15
			8	8	8	8
	PBT	Correlation	.74	1.0	.64	.41
		Coefficient	.7**	.00	.5**	.3**
		Sig. (2-tailed)	.000		.000	.000
		N	15	15	15	15
			8	8	8	8
	CLP	Correlation	.95	.64	1.0	.60
		Coefficient	.2**	.5**	.00	.7**
		Sig. (2-tailed)	.000	.000		.000
		N	15	15	15	15
			8	8	8	8
	CASH	Correlation	.60	.41	.60	1.0
		Coefficient	.2**	.3**	.7**	.00
		Sig. (2-tailed)	.000	.000	.000	
		N	15	15	15	15
			8	8	8	8
	BANK BAL	Correlation	.85	.64	.88	.50
		Coefficient	.3**	.5**	.9**	.1**
		Sig. (2-tailed)	.000	.000	.000	.000
		N	15	15	15	15
			8	8	8	8

CASH	Correlatio				
BANK	n	.87	.66	.90	.55
	Coefficie	0**	7**	2**	5**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8
PBDIT	Correlatio				
A	n	.93	.83	.92	.56
	Coefficie	6**	0**	0**	6**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8
SHFU	Correlatio				
NDS	n	.94	.77	.91	.57
	Coefficie	8**	9**	9**	3**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8
PATN	Correlatio				
ETOF	n	.68	.97	.58	.38
PE	Coefficie	8**	1**	4**	9**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8
CAPE	Correlatio				
MPLO	n	.94	.67	.96	.60
YED	Coefficie	7**	1**	8**	8**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8

TOTAL	Correlatio				
ASSE	n	.96	.67	.98	.60
TS	Coefficie	2**	8**	4**	9**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8
INTER	Correlatio				
ESTE	n	.67	.31	.73	.52
XP	Coefficie	0**	1**	8**	0**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8
PAT	Correlatio				
	n	.71	.98	.60	.41
	Coefficie	2**	9**	9**	2**
	nt				
	Sig.	.00	.00	.00	.00
	(2-tailed)	0	0	0	0
	N	15	15	15	15
		8	8	8	8

			BAN KBA L	CASH BANK	PBD ITA	SHF UND S
Spearm	SALES	Correlation				
an's rho		Coefficient	.853**	.870**	.936*	.948**
		Sig.				
		(2-tailed)	.000	.000	.000	.000
		N	158	158	158	158
	PBT	Correlation				
		Coefficient	.645**	.667**	.830*	.779**
		Sig.				
		(2-tailed)	.000	.000	.000	.000
		N	158	158	158	158
	CLP	Correlation				
		Coefficient	.889**	.902**	.920*	.919**

	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
CASH	Correlation Coefficient	.501**	.555**	.566* *	.573**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
BANKBA L	Correlation Coefficient	1.00 0	.991**	.853* *	.863**
	Sig. (2-tailed)	.	.000	.000	.000
	N	158	158	158	158
CASHBA NK	Correlation Coefficient	.991**	1.000	.871* *	.883**
	Sig. (2-tailed)	.000	.	.000	.000
	N	158	158	158	158
PBDITA	Correlation Coefficient	.853**	.871**	1.00 0	.944**
	Sig. (2-tailed)	.000	.000	.	.000
	N	158	158	158	158
SHFUND S	Correlation Coefficient	.863**	.883**	.944* *	1.000
	Sig. (2-tailed)	.000	.000	.000	.
	N	158	158	158	158
PATNET OFPE	Correlation Coefficient	.593**	.611**	.773* *	.714**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
CAPEM PLOYED	Correlation Coefficient	.878**	.894**	.946* *	.954**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
TOTALA SSETS	Correlation Coefficient	.890**	.906**	.946* *	.957**

	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
INTERE	Correlation	.601**	.621**	.661*	.618**
STEXP	Coefficient			*	
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158
PAT	Correlation	.610**	.631**	.797*	.741**
	Coefficient			*	
	Sig. (2-tailed)	.000	.000	.000	.000
	N	158	158	158	158

			PATNETO FPE	CAPEMPL OYED	TOTALAS SETS
Spearman's rho	SALES	Correlation	.688**	.947**	.962**
		Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	158	158	158
	PBT	Correlation	.971**	.671**	.678**
		Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	158	158	158
	CLP	Correlation	.584**	.968**	.984**
		Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	158	158	158
	CASH	Correlation	.389**	.608**	.609**
		Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	158	158	158
	BANKBAL	Correlation	.593**	.878**	.890**
		Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	158	158	158
	CASHBANK	Correlation	.611**	.894**	.906**
		Coefficient			
		Sig. (2-tailed)	.000	.000	.000
		N	158	158	158

PBDITA	Correlation Coefficient	.773**	.946**	.946**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
SHFUNDS	Correlation Coefficient	.714**	.954**	.957**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158
PATNETOFF E	Correlation Coefficient	1.000	.607**	.614**
	Sig. (2-tailed)	.	.000	.000
	N	158	158	158
CAPEMPLO YED	Correlation Coefficient	.607**	1.000	.993**
	Sig. (2-tailed)	.000	.	.000
	N	158	158	158
TOTALASSE TS	Correlation Coefficient	.614**	.993**	1.000
	Sig. (2-tailed)	.000	.000	.
	N	158	158	158
INTERESTE XP	Correlation Coefficient	.253**	.758**	.735**
	Sig. (2-tailed)	.001	.000	.000
	N	158	158	158
PAT	Correlation Coefficient	.988**	.633**	.641**
	Sig. (2-tailed)	.000	.000	.000
	N	158	158	158

Correlations

			INTERESTEXP	PAT
Spearman's rho	SALES	Correlation Coefficient	.670**	.712**
		Sig. (2-tailed)	.000	.000
		N	158	158
	PBT	Correlation Coefficient	.311**	.989**
		Sig. (2-tailed)	.000	.000
		N	158	158
	CLP	Correlation Coefficient	.738**	.609**
		Sig. (2-tailed)	.000	.000

	N	158	158
CASH	Correlation Coefficient	.520**	.412**
	Sig. (2-tailed)	.000	.000
	N	158	158
BANKBAL	Correlation Coefficient	.601**	.610**
	Sig. (2-tailed)	.000	.000
	N	158	158
CASHBANK	Correlation Coefficient	.621**	.631**
	Sig. (2-tailed)	.000	.000
	N	158	158
PBDITA	Correlation Coefficient	.661**	.797**
	Sig. (2-tailed)	.000	.000
	N	158	158
SHFUNDS	Correlation Coefficient	.618**	.741**
	Sig. (2-tailed)	.000	.000
	N	158	158
PATNETOFPE	Correlation Coefficient	.253**	.988**
	Sig. (2-tailed)	.001	.000
	N	158	158
CAPEMPLOYED	Correlation Coefficient	.758**	.633**
	Sig. (2-tailed)	.000	.000
	N	158	158
TOTALASSETS	Correlation Coefficient	.735**	.641**
	Sig. (2-tailed)	.000	.000
	N	158	158
INTERESTEXP	Correlation Coefficient	1.000	.279**
	Sig. (2-tailed)	.	.000
	N	158	158
PAT	Correlation Coefficient	.279**	1.000
	Sig. (2-tailed)	.000	.
	N	158	158

** . Correlation is significant at the 0.01 level (2-tailed).

*Automatic Linear Modelling.

LINEAR

/FIELDS TARGET=DCL INPUTS=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS
PATNETOFPE CAPEMPLOYED TOTALASSETS INTERESTEXP PAT CASHTOCL INTERESTCOVER ROCE
DOL DFL

/BUILD_OPTIONS OBJECTIVE=STANDARD USE_AUTO_DATA_PREPARATION=TRUE
CONFIDENCE_LEVEL=95 MODEL_SELECTION=FORWARDSTEPWISE
CRITERIA_FORWARD_STEPWISE=AICC REPLICATE_RESULTS=TRUE SEED=54752075

/ENSEMBLES COMBINING_RULE_CONTINUOUS=MEAN COMPONENT_MODELS_N=10.

To further test the correlation between the selected variables Spearman's rho was used which is reflected in the above table. There exists a strong correlation between SALES, PBT, CLP, CASH, BANKBAL, CASHBANK and PBITA, PATNETOFPE, SHFUNDS, CAPEMPLOYED, INTERESTEXP and TOTALASSETS ; as the sig alpha < 0.05.

It thus, implies that profitability, liquidity and market sensitivity are interrelated.

9) Automatic Linear Modelling

Notes	
Output Created	17-OCT-2019 09:59:22
Comments	
Input	Data
	E:\PH.D. DATA\KALE MANOHAR
	TMV\KALE SPSS 3.sav
	Active Dataset
	DataSet1
	Filter
	<none>
	Weight
	<none>
	Split File
	<none>
	N of Rows in Working Data
	158
	File
Syntax	LINEAR
	/FIELDS TARGET=DCL
	INPUTS=SALES PBT CLP CASH
	BANKBAL CASHBANK PBDITA
	SHFUNDS PATNETOFPE
	CAPEMPLOYED TOTALASSETS
	INTERESTEXP PAT CASHTOCL
	INTERESTCOVER ROCE DOL DFL
	/BUILD_OPTIONS
	OBJECTIVE=STANDARD
	USE_AUTO_DATA_PREPARATION=T
	RUE CONFIDENCE_LEVEL=95
	MODEL_SELECTION=FORWARDSTE
	PWISE
	CRITERIA_FORWARD_STEPWISE=A
	ICC REPLICATE_RESULTS=TRUE
	SEED=54752075
	/ENSEMBLES
	COMBINING_RULE_CONTINUOUS=
	MEAN
	COMPONENT_MODELS_N=10.
Resources	Processor Time
	00:00:00.84

Elapsed Time	00:00:01.12
--------------	-------------

Warnings

adp: Supervised merging is not performed because there are no categorical inputs.

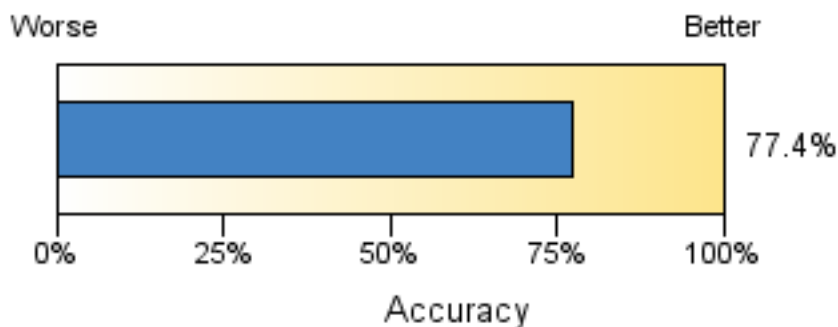
Case Processing Summary

	N	Percent
Included	158	100.0%
Excluded	0	0.0%
Total	158	100.0%

Model Summary

Target	DCL
Automatic Data Preparation	On
Model Selection Method	Forward Stepwise
Information Criterion	832.867

The information criterion is used to compare to models. Models with smaller information criterion values fit better.



*Nonparametric Tests: Related Samples.

NPTESTS

```
/RELATED TEST(CASHTOCL INTERESTCOVER ROCE DOL DFL DCL)
/MISSING SCOPE=ANALYSIS USERMISSING=EXCLUDE
/CRITERIA ALPHA=0.05 CILEVEL=95.
```

10) Nonparametric Tests

Notes

Output Created	17-OCT-2019 10:00:31
Comments	
Input	Data
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	TMV\KALE SPSS 3.sav

	Active Dataset	DataSet1	
	Filter	<none>	
	Weight	<none>	
	Split File	<none>	
	N of Rows in Working Data		158
Syntax	File		
		NPTESTS	
		/RELATED TEST(CASHTOCL	
		INTERESTCOVER ROCE DOL DFL	
		DCL)	
Resources		/MISSING SCOPE=ANALYSIS	
		USERMISSING=EXCLUDE	
		/CRITERIA ALPHA=0.05	
		CILEVEL=95.	
	Processor Time		00:00:00.84
	Elapsed Time		00:00:00.28

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distributions of CASHTOCL, INTERESTCOVER, ROCE, DOL, DFL and DCL are the same.	Related-Samples Friedman's Two-Way Analysis of Variance by Ranks	.000	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

It thus implies that the interest coverage, quick ratio, return on capital employed, DOL, DFL and DCL are not same.

```

NPAR TESTS
  /RUNS (MEDIAN)=CASHTOCL INTERESTCOVER ROCE DOL DFL DCL
  /MISSING ANALYSIS.

```

11) NPar Tests

Notes	
Output Created	17-OCT-2019 10:01:02
Comments	
Input	Data
	E:\PH.D. DATA\KALE MANOHAR
	TMV\KALE SPSS 3.sav

	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	158
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.
Syntax		NPAR TESTS /RUNS(MEDIAN)=CASHTOCL INTERESTCOVER ROCE DOL DFL DCL /MISSING ANALYSIS.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.06
	Number of Cases Allowed ^a	349525

a. Based on availability of workspace memory.

Runs Test						
	CASHTOCL	INTERESTCOVER	ROCE	DOL	DFL	DCL
Test Value ^a	.04	7.44	.08	1.44	1.44	2.05
Cases < Test Value	67	79	73	79	79	79
Cases >= Test Value	91	79	85	79	79	79
Total Cases	158	158	158	158	158	158
Number of Runs	82	87	91	79	81	79
Z	.625	1.117	1.839	-.160	.160	-.160
Asymp. Sig. (2-tailed)	.532	.264	.066	.873	.873	.873

a. Median

NPAR TESTS

/K-W=CASHTOCL INTERESTCOVER ROCE DOL DFL BY DCL(1 5)

/MISSING ANALYSIS.

12) NPar Tests

Notes

Output Created		17-OCT-2019 10:02:49
Comments		
Input	Data	E:\PH.D. DATA\KALE MANOHAR
		TM\KALE SPSS 3.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data	158
	File	
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each test are based on all cases with valid data for the variable(s) used in that test.
Syntax		NPAR TESTS /K-W=CASHTOCL INTERESTCOVER ROCE DOL DFL BY DCL(1 5) /MISSING ANALYSIS.
Resources	Processor Time	00:00:00.02
	Elapsed Time	00:00:00.01
	Number of Cases Allowed ^a	285975

a. Based on availability of workspace memory.

13) Kruskal-Wallis Test

Ranks			
	DCL	N	Mean Rank
CASHTOCL	1.00	37	64.86
	2.00	48	54.22
	3.00	11	46.55
	4.00	8	32.88
	5.00	4	27.13
	Total	108	
INTERESTCOVER	1.00	37	81.46
	2.00	48	50.40
	3.00	11	26.41
	4.00	8	11.94

	5.00	4	16.75
	Total	108	
ROCE	1.00	37	86.04
	2.00	48	49.51
	3.00	11	20.09
	4.00	8	10.38
	5.00	4	5.50
	Total	108	
DOL	1.00	37	20.04
	2.00	48	61.20
	3.00	11	89.18
	4.00	8	100.56
	5.00	4	105.38
	Total	108	
DFL	1.00	37	46.32
	2.00	48	53.93
	3.00	11	64.36
	4.00	8	67.81
	5.00	4	83.25
	Total	108	

Test Statistics^{a,b}

	CASHTOCL	INTERESTCOV ER	ROCE	DOL	DFL
Chi-Square	11.685	57.670	77.900	88.351	8.457
df	4	4	4	4	4
Asymp. Sig.	.020	.000	.000	.000	.076

a. Kruskal Wallis Test

b. Grouping Variable: DCL

RELIABILITY

/VARIABLES=SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE
CAPEMPLOYED TOTALASSETS

INTERESTEXP PAT CASHTOCL INTERESTCOVER ROCE DOL DFL DCL

/SCALE('ALL VARIABLES') ALL

/MODEL=ALPHA

/STATISTICS=HOTELLING.

14) Canonical Correlations

Notes

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Comments		
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	Filter	<none>
	Weight	<none>
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Syntax	BEGIN PROGRAM '# '	
Resources	Processor Time	00:00:00.37
	Elapsed Time	00:00:00.98

[DataSet1] E:\PH.D. DATA\KALE MANOHAR TMV\KALE SPSS 3.sav

Canonical Correlations Settings

	Values
Set 1 Variables	SALES PBT CLP CASH BANKBAL CASHBANK PBDITA SHFUNDS PATNETOFPE CAPEMPLOYE D TOTALASSETS INTERESTEXP PAT
Set 2 Variables	CASHTOCL INTERESTCOV ER ROCE DOL DFL DCL
Centered Dataset	None
Scoring Syntax	None
Correlations Used for Scoring	6

Canonical Correlations

	Correlation	Eigenvalue	Wilks Statistic	F	Num D.F	Denom D.F.	Sig.
1	.806	1.850	.176	3.668	78.000	772.502	.000
2	.590	.533	.502	1.745	60.000	659.344	.001
3	.414	.207	.769	.875	44.000	541.385	.701
4	.225	.054	.928	.360	30.000	417.474	.999
5	.146	.022	.977	.183	18.000	286.000	1.000
6	.039	.002	.998	.027	8.000	144.000	1.000

H0 for Wilks test is that the correlations in the current and following rows are zero

Set 1 Standardized Canonical Correlation Coefficients

Variable	1	2	3	4	5	6
SALES	-.319	-2.992	.327	1.477	-5.501	-1.391
PBT	8.535	-19.682	13.572	22.577	-19.338	21.519
CLP	-.025	1.853	.996	.221	7.698	-9.559
CASH	-2.158	-.819	1.923	-3.182	1.105	-2.989
BANKBAL	-15.810	-18.886	15.890	-4.481	23.875	-43.762
CASHBANK	12.469	16.481	-15.575	3.187	-26.772	46.373
PBDITA	-10.809	7.868	-10.180	-20.354	-4.040	-4.078
SHFUNDS	-2.735	.105	-1.003	8.125	7.171	-6.707
PATNETOFPE	2.440	-1.920	-1.148	-2.263	-3.990	3.141
CAPEMPLOYED	1.574	-10.567	10.189	-.329	5.733	-4.975
TOTALASSETS	10.147	3.968	-5.050	1.991	-9.349	17.354
INTERESTEXP	-1.108	2.507	.263	3.892	-.228	2.053
PAT	-3.906	19.455	-7.562	-9.045	26.244	-20.246

Set 2 Standardized Canonical Correlation Coefficients

Variable	1	2	3	4	5	6
CASHTOCL	-.645	-.688	.110	-.437	.204	.025
INTERESTCOVER	.043	-.302	.011	.729	-.727	-.035
ROCE	.120	.118	-1.082	-.135	.161	-.008
DOL	-.080	-.072	.259	.578	.611	-.874
DFL	.283	-.674	1.257	2.361	2.525	.521
DCL	.474	.061	-1.036	-2.536	-2.366	-.619

Set 1 Unstandardized Canonical Correlation Coefficients

Variable	1	2	3	4	5	6
SALES	.000	.000	.000	.000	.000	.000
PBT	.001	-.003	.002	.004	-.003	.004
CLP	.000	.000	.000	.000	.000	.000
CASH	-.004	-.001	.003	-.006	.002	-.005

BANKBAL	-.003	-.004	.003	-.001	.005	-.009
CASHBANK	.002	.003	-.003	.001	-.005	.009
PBDITA	-.001	.001	-.001	-.002	.000	.000
SHFUNDS	.000	.000	.000	.000	.000	.000
PATNETOFPE	.001	.000	.000	-.001	-.001	.001
CAPEMPLOYED	.000	.000	.000	.000	.000	.000
TOTALASSETS	.000	.000	.000	.000	.000	.000
INTERESTEXP	-.001	.002	.000	.004	.000	.002
PAT	-.001	.004	-.002	-.002	.006	-.005

Set 2 Unstandardized Canonical Correlation Coefficients

Variable	1	2	3	4	5	6
CASHTOCL	-4.906	-5.236	.839	-3.325	1.551	.190
INTERESTCOVER	.000	-.001	.000	.003	-.003	.000
ROCE	1.043	1.022	-9.378	-1.174	1.393	-.071
DOL	-.006	-.005	.019	.041	.044	-.063
DFL	.223	-.531	.990	1.859	1.988	.410
DCL	.017	.002	-.037	-.090	-.084	-.022

Set 1 Canonical Loadings

Variable	1	2	3	4	5	6
SALES	-.043	-.048	-.368	-.094	-.071	-.481
PBT	-.026	-.189	-.737	.033	.059	-.016
CLP	-.063	-.049	-.335	-.167	.266	-.153
CASH	-.003	-.034	-.176	-.265	.111	-.347
BANKBAL	-.181	-.221	-.411	-.179	.373	.198
CASHBANK	-.176	-.217	-.417	-.203	.373	.153
PBDITA	-.080	-.092	-.545	-.028	.023	-.296
SHFUNDS	-.072	-.104	-.359	-.084	.084	-.429
PATNETOFPE	.045	-.233	-.687	-.027	.065	-.031
CAPEMPLOYED	-.077	-.017	-.188	-.112	.021	-.499
TOTALASSETS	-.078	-.044	-.306	-.149	.141	-.371
INTERESTEXP	-.158	.203	.117	-.049	-.060	-.508
PAT	-.022	-.186	-.723	.006	.060	-.038

Set 2 Canonical Loadings

Variable	1	2	3	4	5	6
CASHTOCL	-.626	-.744	-.115	-.179	.090	.029
INTERESTCOVER	-.087	-.505	-.225	.600	-.571	-.019
ROCE	.065	-.236	-.926	.155	.243	.011
DOL	-.104	.037	.006	.100	.127	-.981

DFL	.771	-.592	.061	-.094	.195	.071
DCL	.773	-.547	.063	-.264	.018	-.169

Set 1 Cross Loadings

Variable	1	2	3	4	5	6
SALES	-.035	-.029	-.152	-.021	-.010	-.019
PBT	-.021	-.111	-.305	.007	.009	-.001
CLP	-.051	-.029	-.139	-.038	.039	-.006
CASH	-.003	-.020	-.073	-.060	.016	-.013
BANKBAL	-.146	-.130	-.170	-.040	.054	.008
CASHBANK	-.142	-.128	-.173	-.046	.054	.006
PBDITA	-.065	-.054	-.226	-.006	.003	-.011
SHFUNDS	-.058	-.062	-.148	-.019	.012	-.017
PATNETOFPE	.036	-.137	-.284	-.006	.009	-.001
CAPEMPLOYED	-.062	-.010	-.078	-.025	.003	-.019
TOTALASSETS	-.063	-.026	-.127	-.033	.020	-.014
INTERESTEXP	-.127	.120	.048	-.011	-.009	-.020
PAT	-.018	-.109	-.299	.001	.009	-.001

Set 2 Cross Loadings

Variable	1	2	3	4	5	6
CASHTOCL	-.505	-.439	-.048	-.040	.013	.001
INTERESTCOVER	-.070	-.298	-.093	.135	-.083	-.001
ROCE	.052	-.139	-.383	.035	.035	.000
DOL	-.083	.022	.003	.023	.018	-.038
DFL	.621	-.349	.025	-.021	.028	.003
DCL	.623	-.323	.026	-.060	.003	-.007

Proportion of Variance Explained

Canonical Variable	Set 1 by Self	Set 1 by Set 2	Set 2 by Self	Set 2 by Set 1
1	.009	.006	.268	.174
2	.022	.008	.253	.088
3	.210	.036	.155	.026
4	.017	.001	.084	.004
5	.031	.001	.075	.002
6	.104	.000	.166	.000

```

QUICK CLUSTER CASHTOCL INTERESTCOVER ROCE DOL DFL
/MISSING=LISTWISE
/CRITERIA=CLUSTER(2) MXITER(10) CONVERGE(0)
/METHOD=KMEANS(NOUPDATE)
/PRINT ID(DCL) INITIAL.

```

A canonical variate is a new variable (variate) formed by making a linear combination of two or more variates (variables) from a data set. A linear combination of variables is the same as a weighted sum of variables. The term can also be found in canonical regression analysis and in multivariate discriminant analysis.

Tests of dimensionality for the canonical correlation analysis, as shown in the above table, indicate that four of the six canonical dimensions are statistically significant at the .05 level. Dimension 1 had a canonical correlation r of 0.09 between the sets of variables, while for dimension 2 the canonical correlation was at 0.22, for dimension 3 the canonical correlation was at 0.17 and for dimension 4 the canonical correlation was at 0.31.

15) Quick Cluster

Notes		
Output Created		17-OCT-2019 10:05:35
Comments		
Input	Data	E:\PH.D. DATA\KALE MANOHAR TM\KALE SPSS 3.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
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	N of Rows in Working Data	158
	File	
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any clustering variable used.
Syntax		QUICK CLUSTER CASHTOCL INTERESTCOVER ROCE DOL DFL /MISSING=LISTWISE /CRITERIA=CLUSTER(2) MXITER(10) CONVERGE(0) /METHOD=KMEANS(NOUPDATE) /PRINT ID(DCL) INITIAL.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.02
	Workspace Required	816 bytes

Initial Cluster Centers

	Cluster	
	1	2

CASHTOCL	.02	.54
INTERESTCOVER	-13.82	2275.88
ROCE	-.15	.18
DOL	.50	1.17
DFL	.99	1.52

Iteration History^a

Iteration	Change in Cluster Centers	
	1	2
1	69.621	.000
2	.000	.000

- a. Convergence achieved due to no or small change in cluster centers. The maximum absolute coordinate change for any center is .000. The current iteration is 2. The minimum distance between initial centers is 2289.700.

Final Cluster Centers

	Cluster	
	1	2
CASHTOCL	.08	.54
INTERESTCOVER	55.79	2275.88
ROCE	.07	.18
DOL	1.67	1.17
DFL	1.24	1.52

Number of Cases in each

Cluster

Cluster	1	157.000
	2	1.000
Valid		158.000
Missing		.000

Thus, it is found out that the liquidity, profitability, return on capital employed and market sensitivity and volatility are correlated.

CHAPTER NO. 5 – “CONCLUSIONS & AREAS FOR FUTURE RESEARCH “: -

A) Hypothesis Specific Conclusion-:

1. The Researcher has reviewed the different Financial & Management Strategies and other related inputs of the selected listed & other Engineering Companies in & around Pune-Mumbai for 11 Financial Years -: 2007-08 to 2017-18, to find out the various outcomes, mainly connected with the 2 Hypotheses which were mentioned in the Synopsis of the Thesis Document, namely:- A) There is no significant difference in the financial & management strategies applied & used by Indian Companies & MNC companies operating in India. B) MNC companies operating in India apply these financial & management strategies in a more effective manner, as compared to those applied & used by the Indian Domestic Companies.

The researcher has reviewed & studied varied audited financial statements & other supplementary details attached to OR related to the audited statements and also tried to study the finance & management related performances of the different engineering companies, both Domestic Indian Companies and M.N.C. Companies out of the sample population & also, tried to minutely observe the kind & the nature of the different Management & Finance related functional strategies & procedures which were being pursued by all these sample Engineering Companies.

Present competitive & complex corporate world is full of performance, severe competition, new technologies & latest innovations, advanced & latest knowledge, well defined objectives & goals, well set time limits, trained & developed Man Power etc. To make a further growth and to maintain the growth & development in this competitive & complex world, every professional & efficient domestic as well as multi-national organization should have proper systems, procedures, practices, policies ; particularly different kind of finance & management related strategies, techniques & practices which are introduced , developed & properly nurtured in the organization, as per the organizational situations & requirements’ To achieve the final corporate objectives & goals for any efficient, professional & commercial organization i.e. “To maximize the wealth of its stake-holders OR Share-holders’ who are the real owners of the organization. Effective application of the required Administration & Finance related systems, controls, practices, procedures & policies itself is not the end of the business process of the organization but it is equally important that the prevailing finance & administration related systems, controls, practices, procedures & policies are further reviewed, improved, developed & updated as per the changes in the overall working , operational situations / environment , changes in the corporate goals & the objectives of an organization & also, as per the changes in the overall requirements & needs of an organization.

Till now, a lot of research & analysis work is already done , at the international & domestic working levels, all over the Globe , pertaining to the application of these

strategic financial & management techniques & practices with the help & support from various professional bodies, trade & business associations, forums & federations, government aided organizations, with direct government support, business organizations etc. & continuous efforts & attempts are regularly made:- 1) EITHER for an addition & improvement in the existing list of the strategic financial & management techniques & practices like International Accounting Standards (I.A.S.), Budgetary Controls, SOX Reporting systems, various GAAP Analysis techniques, transfer pricing techniques, various auditing & other verification systems & practices etc. and 2) OR to further improve / develop these existing techniques & practices as per the new business needs &- requirements OR to add new techniques & practices for the more effective & logical implementation & execution in a professional manner with the present business organizations & to cater to their ever changing business environments & objectives. This is a continuous, consistent & never ending business process which will make the overall strategic management & finance related techniques & practices more & more effective & logical.

When we observe the overall Indian trade, business & industry related scenario pertaining to the same subject, it is observed that a lot of work has already been done & is still being done. Even though the overall progress is bit a steady & slow till now, because of the Globalization factor, introduction & execution of Indian economic reforms & opening of the Indian economy for the various reputed global players; Indian trade, business & industry have formally accepted, successfully applied, implemented & are contributing for the overall improvement & development of the various additional & new strategic financial & management techniques & practices. With Government & Professional Institutions' support, guidance & assistance, the overall speed & pace of their application, implementation, development & improvement is really more fast so that we procure the maximum amount of benefits & advantages out of their execution. These techniques & practices are really contributing to the overall benefits & advantage of trade, business & industry in the form of necessary internal controlling, coordinating & reporting systems & procedures which will further help in achieving their corporate goals & objectives in the most effective & focussed manner. Even though, a good beginning is made in the subject matter but still a lot of work is to be done. Trade, industry & business are going in the right direction, for the successful application, implementation, development & improvement of the required strategic administration & finance related techniques & practices which are of great concern for the overall strategic planning, decision making & successful execution of the required actions, which will further give various in-built benefits / advantages like:- 1) To strengthen the overall process of business planning, considering the present & future business & organizational needs & requirements. 2) To make the business decision making process more efficient in terms of timing, quality, accuracy & logic. 3) To implement & execute all the required business actions & processes, as per the captioned planning & decision making process in more scientific & logical manner. 4) To coordinate, correlate & control the overall business working & day-to-day operations in more professional & practical manners. 5) To improve on & to further develop, the overall control,

verification & reporting systems & procedures in a more effective & efficient manners, as per the existing & future business requirements & objectives. 6) To supervise & monitor the overall business process & business performance on regular & consistent basis, closely & neatly. 7) If the business unit process & road map is going in the wrong direction, to initiate & to Implement the required corrective & logical action, to bring it back to the right direction in a shortest possible time & without any further wastage of all types of scared resources. These are some of the major benefits & advantages of the introduction, implementation, continuous review & regular improvement of the management & finance functions related strategies & systems in Indian Domestic & M.N.C. companies, to mention the few.

If we make a general comparison, between the multi-national Companies (M.N.C.s) along with Indian domestic companies, both are contributing in a sizable manner to identify, apply & improve upon the strategic financial & management techniques & practices in India & all over the globe for making their effective & efficient day to day business working & operations. This is mainly because: - 1) these techniques & practices are already being identified & applied in their parent group companies & in their home country. 2) The M.N.C.s are generally more cautious & careful about their application & continuous improvement, as per the requirements & needs, to fetch more & more benefits & advantages out of them. 3) These M.N.C.s are having all the required technologies, manpower skills & other necessary resources to implement & improve them. 4) These M.N.C.s are having more willingness & strong desire to execute & develop them, on continuous & regular basis. 5) Generally, These M.N.C. Companies are more keen to comply with all the applicable legal & statutory rules & regulations. 6) Normally, these M.N.C. Companies require more efficient & effective controlling & reporting systems, to achieve their well-defined corporate goals & objectives. 7) These M.N.C. Companies are more interested in applying & improving upon the required systems which will closely monitor & supervise on consistent basis, in attaining their well-defined business goals & objectives and also, to develop the required systems, to identify the deviations, if any and to initiate the required timely & accurate corrective actions.

There is an increasing need, today, to do a lot of research & analysis study in the field, in order to have more & more unique, efficient & effective strategic administration & financial techniques / systems to be identified , implemented & utilised by the trade, industry, commerce, business & corporate world in India & all over the globe as per the local as well as the global requirements & also, to fetch more & more advantages & benefits of other present factors like globalization, skills & competencies, technology development, good techniques of governance & administration , operational efficiency & effectiveness and other positive local & global factors and the peculiar opportunities in the current business & working situations.

Indian Industrial & Academic sectors are growing at a rapid pace & are on the verge of becoming one of the major industrial as well as academic global hubs. The various approaches practiced by these growing & flourishing industries & professions are like

joint ventures, mergers and acquisitions; take overs, expansions in foreign countries, strategic alliances, market developments etc. All these approaches are having their own advantages and limitations. This growth & development of Indian industries will face real challenges like proper planning, effective financial & management strategies & logical decision making, when they will actually experience the development & growth stage and the sustainable stability phase in India as well as in other foreign countries. These challenges will be of different nature & will be related to the different functional fields like introduction, application, implementation & improvement of the required accounting , administration & finance functions related procedures, controlling & reporting systems, selecting the most suitable technology , capital adequacy, manpower management, facing the suitable local practices & conditions, complying with various complex legal requirements, overcoming various negative social factors, experiencing various adverse taxation matters, practicing variety of administrative & governance procedures & policies etc. Growth & development of Indian economy and the projected growth of worldwide industrial & business sectors will create an opportunity to study & analyse these challenges in a more professional & scientific manners which will be faced by these Indian Domestic Companies & M.N.C. Companies in India & abroad. At the same time, the industry & business sectors cannot miss the various global developments & growth opportunities which are going to be available in coming years & it has to be gained in a most optimal & beneficial manner with the minimum possible cost & the minimum amount of the applicable overheads.

To overcome all the above mentioned challenges & to seek more benefits out of these opportunities and to gain maximum amount of advantages out of them, at a minimal possible cost, particularly, in the fields of company management, accounting & finance related procedures, controlling & reporting systems, local practices & situations, legal & taxation matters etc.; the corporate world requires a successful & logical application of the above mentioned different well recognised domestic & international strategies of management systems & techniques in every professionally & efficiently run corporate organization and also, a continuous /consistent improvements / changes in the same, as per the changing requirements, conditions, challenges & business goals. The success of the overall trade, industry & business sectors & particularly of various M.N.C.s in India & all over the globe is largely depend on the effective & proper introduction, execution, improvement & usage of these management & financial techniques & practices.

The global opportunities for growth, associated with the opportunities for expansion of businesses in India & in other foreign countries with the- requirement of proper application of accounting & financial procedures & systems for the overall proper operational control & reporting and a continuous process of changes & improvements in the same, as per the defined business goals & objectives, changing business situations & challenges/opportunities is a real challenge for all the Indian & foreign M.N.C companies. The various approaches, systems, procedures & policies used by various industries are associated with management problems. Management styles, business

environments, legal matters, statutory compliances, banking and finance related policies, inbuilt operational systems & procedures, available professional skills & talents, technology update, legal & secretarial compliance, Government & Professional support, economic & social background, Association & Federation backing & support etc. are the major key factors which will have a direct impact on the continuous success of the organization in the process of introduction, application, improvement & consistent usage of the required accounting, financial & management related effective & efficient controlling & reporting systems & procedures. The real genuine problem for these companies is not the application of technology but the application of strategic management & finance related systems & policies for the overall operational efficient & effective working of an organization. The proper usage of the required & available strategic administration & finance related skills and understanding of the business environment is a key & major factor for the success in future for all the Indian & global, professionally managed business organizations & particularly, the M.N.C.s in India & all over the globe.

After going through all the available preliminary & secondary data which the researcher could collect, review, study, analyse & research in, logically & scientifically, the researcher has come to the fair conclusion that M.N.C. Companies are slightly better & more scientific than Indian Domestic Companies in introducing, applying, executing, reviewing & updating all the required administration & financial strategies & systems for the efficient & effective day to day working of the Companies & also, achieving its well-defined corporate goals & objectives in more professional & logical manner. Of course, the Gap between the M.N.C. Companies & Indian Domestic Companies in introducing & applying these management & finance related strategies are certainly narrowing down, day by day. The Indian Domestic Companies are in the process of approaching near to the M.N.C. Companies' standard & are almost, at par in introducing, applying & improving upon, on regular basis, all these financial & management functions related strategies & controls in their day to day working & operations.

B) General Conclusion:-

The impact of a good strategic planning on administration & finance functions related performance of a Company is very much evident and was proved & assured in various corporate related cases. The researcher has tried to study the correlation among the ideal corporate strategic planning mainly in the functional areas of finance & management & a good overall corporate performance and continuous healthy & competitive survival of a corporate entity for a longer time period. The researcher comes out with an overall conclusion that a minor but positive & logical relationship between strategic planning mainly in the areas of management & finance and a company performance exists and persists for a longer time period.

A strategic & properly directed, resource allocation at the corporate level, for a growing businesses entity where the firm is professionally & logically well positioned, improves the overall performance of the firm that plans strategically, with more than 1 per cent better returns on capital employed in the business. In addition to the above situation, the passage of time also, allows us to make a consistent & scientific follow up for the better overall performance for the organization. Strategic planning, mainly in the functional areas of administration & finance, at a point in time, appear to double the chances of the long term likelihood of the logical survival of a business corporate entity. Planning systems that focus mainly on financial & administration functional matters and also, insists on proper budgetary system do not really, improve the overall corporate performance. Combination of a small group of non-planners as well as the strategic planners perform in a better & in a more logical manner, although this equality tends to disappear over the time period and there is always the likelihood of a long-term survival only by the working by the non-planners is with the lowest proportion. Strategic planning in all the required functional areas like finance & administration really can improve the overall performance & a well established strategic planning methods & systems have a continuing better effect on the returns on capital employed in the business and on the firm's long term survival possibility.

The growth of any business depends on many factors. The factors like Strong leadership is essential, product demand is critical, and careful financial & management functional planning is imperative. In the current economic environment, it is more important & necessary than ever for the organizations, to examine both assets and liabilities at their disposal, incorporate budget details into a feasible & realistic plan, choose the right types & amounts of investments, understand their financial & management implications & effects, and to validate their required assured returns. According to the Senior Vice President at Ventana Research, "An organization's financial & management related functional planning process must provide executives and management across the entire organization, with the ability to plan investments and budgets that will fit in their corporate finance & management related functional strategies. Moreover, it is also important & necessary that the Company Top Management & the core team of executives are able to change mainly, these management & finance related functional plans and budgets quickly and easily, to adapt when business conditions & business working environment change.

Policies pertaining to the capital structure are generally, put in proper place, in an effort to maximize returns on Shareholders' funds. Company Management does this by maximizing the positive effect of cash flows and minimizing the cost of the capital in the company business. The calculation of the cost of capital is important in the subject matter because it represents an important parameter in a firm's capital budgeting decisions. According to the Census Bureau, capital expenditures on property and equipment in 2010 were over \$1 trillion for U.S. non-farm businesses. Without a question, the cost of capital estimate was a key determinant in these spending decisions. Miscalculating the cost of capital can lead a firm to reject a potentially valuable project

if the cost of capital is overestimated OR accept a project that fails to meet investors' required return on capital employed, if the cost of capital is underestimated. Here we mainly, focus on the various considerations & factors assumed in estimating the monetary value of the cost of capital.

Firms that seemed to be under-leveraged share common characteristics. Under-leveraged firms were typically more large, more mature, and more profitable than those that were not under leveraged. These firms also, had large intangible assets, greater growth opportunities, and higher earnings volatility. These firms may also, have other immeasurable kind of characteristics that explain the apparent under leverage position, including higher agency costs than that of the other comparable positioned firms. Agency costs can reflect a tendency of the management of the firm, to engage in the risky projects OR to reject potentially profitable projects, as debt portion increases in the overall capital structure of the Firm.

The components of the cost of capital include the required returns on equity and debt, and the relative weightage of the equity and the debt proportions in the planned capital structure. While there are different types of equity and debt instruments (e.g., preferred, equity and convertible debt etc.), we focus on common shares and straight debt instruments. Off balance sheet items are also, a source of capital & thus become part of the overall capital structure of the firm.

All the growing organizations are slowly & steadily establish their own financial & management strategies in the overall process of defining their own strategic financial & management functions. Administration & finance related strategies play an important role in the process of setting up the overall functional strategies of these organizations. So all these organizations first set up their proper finance & administration related strategies, which will help & ensure the overall growth of the organization, after considering both internal environment factors & external business environment. Because of the peculiar features of all these developing organizations, research in the area of the proper financial & management strategies for these growing organizations has become an urgent need of an hour. The research paper mainly, pays attention to the proper usage of the required financial & management strategies for these developing organizations & the type of management & finance related functional strategies, these organizations should go for, which will increase the overall net worth & monetary value of the firm in an optimal manner. To conclude, every growing firm has to set up its own financial & management functional strategies for its self-development & growth.

It is important to see the administration & finance related decisions made by companies, the strategies that the organizations follow & the alignment between these two variables and the relationship of finance & management functions related decisions to the level of competitive position of the Company. Most micro and small / medium sized enterprises make funding decisions in a certain & peculiar way, apply an intensive strategy, also that their market longevity is low and their level of sales is regular,

implying that these companies lack competency feature, which hampers their development and expansion opportunities. The emphasis that companies place on certain finance & management functions related decisions is not always appropriate for the type of business strategy which is being implemented. Likewise, companies that efficiently manage their short term assets and liabilities are more competitive in nature, as evaluated by their longevity in the market.

The importance of administration & finance functional decisions in business is evident, since many factors that contribute to failure of the business can be managed properly with management strategies and financial decisions that further drive organization growth and meeting of the organization's defined objectives. According to a number of studies conducted, the main causes of business failure are the lack of financial & management planning, limited access to funding, lack of adequate capital in the business, unplanned growth position, low strategic and financial projections, excessive fixed asset investment and capital mismanagement of the company. Many of these causes for the failure of the business are challenges that can be successfully managed with proper management & finance related strategies, functionally developed and implemented by the organization. However, the study of finance & management related decisions has been for a long time, is limited to the larger corporations only, about which extensive research has been done & published. One of the main features of small businesses is that these businesses do not have useful administration & finance related information & data, to make timely & proper decisions. The information generated by these businesses is utilized only in the areas like payment of taxes but does not reflect the real situation of the organization. In addition to this, small & medium businesses do not have specialized personnel with them, with an expertise for the required financial & administration planning, day to day management and for the financial decision making. Owners of these small businesses have to make decisions without a solid information / data foundation with them. Because small business owners concentrate mainly on obtaining resources for meeting of the day to day operating expenses, it is difficult to develop management & finance related plans: - there is no knowledge of how to implement them, daily business problems overwhelm entrepreneur decision making and the urgency is to solve basic business problems, in order to generate business income. However, this does not imply that financial & management related decisions should not be based on financial & administration related planning. Let us take the example of small businesses' problems in Mexico. Sixty five percent of the businesses in Mexico shut down in less than two years, while twenty five percent of them survive during this period with a very low probability of their real development & growth. Although small businesses do not struggle only in the financial & management functional areas, it represents a major peculiar problem that affects their overall development & growth.

C) Areas for further research :-

In corporate management & finance related strategies, the important aspect like capital structure requires thoughtful & careful consideration. A firm's choice of capital structure can help an ailing business enterprise to get through the tough times, OR can mean finance & administration ruins for once promising & successful businesses concern. The academic literature has almost come close to the point of identifying a firm's optimal capital structure. However, empirical evidence suggests that for various reasons, many firms operate at sub-optimal capital structure level. This could be due to the behavioral influences that cause firms to have a bias opinion against debt OR market fluctuations that cause the top management to move away from the defined targets. In the coming years, there will be likely new management & finance related innovations that will provide proper & the required funding for business ventures, so further review, progress improvement and refinement in capital structure theory will be needed & expected.

The effect of administration & finance related functional decisions on business competency is a topic that researchers have not yet studied in detail & in depth. Despite its importance and the need to adapt financial & management functional strategies to an organization's basic characteristics, few studies have focused on reviewing & analyzing decision making process and its impact on small & medium sized enterprises' operational competencies. Prevalent Business finance & administration environments are the main factors for the organization's success OR failure, especially for the small & medium sized businesses which are forced by management & finance functional limitations, to be highly efficient in allocating their scarce resources in order to ensure survival, growth and to generate proper amount of profits.

An important factor like Capital structure of the firm affects the outcome of control which is one of the major factors & contests through its effect on the distribution of cash flows between voting rights-holders i.e. equity share-holders and non-voting right-holders i.e. debt elements. In particular, higher debt proportion results in a lower profitability for a potential acquirer and therefore, is in a lower probability of acquisition. Thus, the choice of the optimal debt level is based on trading off between a decrease in the likelihood of acquisition and an increase in the share of the expected synergy gain for the targeted share-holders. (Due to the better ability of the rival management to run the firm more efficiently). The regulated firm is shown to invest in less proportion than the socially optimum level, which in turn raises regulated rates above the optimal level. However, the issuing of debt instruments mitigates the regulators incentive to act in an opportunistic manner, and may therefore provide the firm with an incentive to increase its level of investment above the level of an all equity firm. This has an important implication for regulatory policy. In particular, the strategy of issuing of debt instruments by the firm may create incentives for regulators to place limits on debts proportion, as a means of controlling the risk of bankruptcy. However, as has been shown in financial market models that the firm's capital structure can provide valuable & logical information regarding its costs and performance. Thus, there is a acute need for further review, study & additional investigation about the

information & the data related aspects of the capital structure of the firm in the regulated industries & concerns.

While studying & analyzing the different administration & finance related strategies adopted by the different Companies out of the sample population, the researcher realized 2 major peculiarities applicable to almost all the organizations in the present most competitive & complex business environments which are as under:-

- 1) Consistent Sustainability for an Organization:- When an organization with a lot of pains & hard work attains the top efficient operational level with the qualitative performance & high profitability then it becomes difficult for it, to maintain that top performance position as it starts facing different challenges /difficulties & the organization tends to make a lot of illogical & non-scientific changes in its finance & administration functional strategies, it follows because it starts giving unnecessary extra due importance to the marketing , economics, technical & other sentiments ; overlooking its true basic requirements and its internal strengths / weaknesses. Then the organization tends to lose the pace & the track which it has achieved, earlier thus it badly affects, its earlier overall effective performance & operational efficiency.
- 2) To maintain its advantageous & competitive position in the market:- Because of so many uncertainties & the increasing complexities in the overall business environment, it is becoming difficult, day by day , for all the modern organizations, to maintain their advantageous & Competitive position in the present complex environment & Market. Many times, the Companies have to compete with various un-known & totally new competitors which are not directly or indirectly, in the same line of business activity as that of the existing business Companies. The researcher can quote so many latest examples for the same type of situations in the present scenario like:- 1) The Company like GOOGLE is coming out with the driver less car which is actually, not its core line of activity / business. This has not been anticipated OR expected by the present reputed players in the Automobile sector & is totally, taken by surprise by them about this sudden development. 2) IBM has come out with the legal software which will assist the general public, all over the Globe, in complying with all the relevant & applicable various local legal rules & regulations, at a cheaper cost thus making it difficult for all the existing reputed legal firms & the present legal software, to render the required legal & other relevant services to the general public, all over the Globe. 3) New Companies , giving the modern medical check-up facilities at the cheaper rates, at the door step of the required person thus making it difficult for the existing service providers like hospitals / medical centers to offer the same kind of services. Thus the un-certainties in the technical / financial / economic / social / marketing / management / political fields are making it difficult for any Company, to retain its leading & advantageous position, forever.

The researcher sincerely, feels that more logical in-depth review, study & research is required to be undertaken in the captioned 2 important, peculiar & major phenomena which are badly affecting the overall growth, development & progress of the many existing reputed & recognized domestic & M.N.C. organizations. This situation is required to be looked into & resolved urgently & drastically. Even though this is not going to be an easy task but is required to be undertaken by the able researchers who can to do all the needful in future.

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