

DOING BUSINESS IN INDIA (209.4955)

Classes: Lily + Magnolia

Course Instructor

Dr. Rakesh Gupta

Institute of Management Technology (IMT)

Ghaziabad, India

rgupta@imt.edu

Introduction:

India is a story of tremendous growth and opportunity and is emerging as a major player in the global economy. As world's largest democracy, India is shaping up as one of the world's most important markets of the 21st century. Its vast population base, favourable demographics, rising income levels, makes it an ideal market for companies across the world to do business there. With steadily growing GDP, India represents a domestic market with a huge volume (population 1.2 billion) and a source of quality manpower and innovation for companies across the world. A McKinsey Report in 2007 called India the 'bird of gold' as incomes are expected to triple over the next 20 years. India is the centre for attraction for countries and corporations looking for business opportunities. Indian economy is well integrated with the world economy yet insulated from the global economic shocks, as is evident from its sustained growth despite recent global economic slowdown. Hence it has become important for global managers to get a clear idea about the business opportunities in India, the macroeconomic environment and the changes in governmental policies. It is

obvious that future managers across the world must be familiar with the opportunities and challenges of doing business in India.

The objective of this course is to provide a comprehensive understanding of critical business issues for students wishing to do business in or with India. The primary objective of this course is to analyse the future economic opportunities coming out from India and deepen your understanding of prevailing business and cultural practices in India.

Learning Outcomes:

After completing the course participants are expected to gain deeper understanding of the culture, social norms and the prevalent business practices in India. They should be able to develop an appreciation of the business, economic, political, social and cultural context within India thus broadening their global perspectives. After the course, the students should be able to understand the nuances of doing business in India and able to interact with Indians and business partners and other relevant stakeholders in India with sufficient confidence.

1. Develop a deeper understanding about India as a nation and a market and the ways Indians think, act and do business.
2. Comprehend the macro Indian business environment and the inherent risks and challenges of doing business here and learn how to manage these risks within constraints imposed by the regulatory environment.
3. Identify the key institutional voids, changing business scenario and the emerging opportunities for operating successful business ventures in India
4. Develop a deeper understanding about Indians consumers and institutions to rule out the commonly committed initial mistakes made by western companies.

5. Understanding rural India and the market at the bottom of the pyramid and how it can be source of huge opportunity for international companies.

Teaching Approach:

The course would be delivered by delivering lectures, case study analysis and discussions to demonstrate working of concepts in real-life. However, for ensuring better assimilation of knowledge and understanding participants would be encouraged to engage in discussion to make the sessions more productive. The sessions would be discussion based and requires prior readings of materials. Students should come to class prepared and ready to engage. The course is interactive: students can challenge, question, comment at any time. Dr Rakesh Gupta has worked in industry in India and currently is an educator. What he teaches is based on his readings, observations and also direct business experience.

Class Guidelines:

1. Students are advised to be punctual in attending sessions and meet deadlines for completing the assigned tasks.
2. They are strongly advised to come prepared for the sessions by reading the necessary material provided and/or preparing presentations.
3. Persistent late arrival to class will be noted. Students arriving late should take their seats as quietly as possible.
4. Mobile phones should be switched off or on a silent mode within the class. Any student who needs to take an urgent call or make an urgent call should temporarily leave the classroom and return quietly.

Student Assessment:

Participants to this course would be evaluated with the help of following components:

1. Assignment on case study “Enron Development Corp.: The Dabhol Power Project in Maharashtra, India”. Participants are required to submit a typed report (WORD document) of 1000-1500 words. They can e-mail the soft copy to the instructor, this assignment would carry 25% weightage. **DEADLINE: December 8th, 2016**
2. Participant’s contribution to the class in terms of quantity and quality of participation carries 25% weightage.
3. Each student will have to write a detailed report on the prevailing entrepreneurial eco-system in Israel and India. For this purpose, students will study the relevant reports and policy documents and current writings in this field to develop a deeper understanding of this topic. The purpose of this assignment is to demonstrate the context in which the firms evolve especially the start-ups and use the tools learned in this and previous classes, to write a detailed report highlighting the similarities as well as the dissimilarities of the policy framework and the role of institutional, social and cultural context of Israel and India and its impact on new venture creation, focus on innovation and creating opportunities and providing solutions to various problems and hence the similar/dissimilar outcomes coming out of this eco-system on business outcomes. This assignment carries 50% weight. **DEADLINE: December 23rd, 2016**

Course Content:

Session-1 (November 30, 2016): Understanding India

Objectives: To familiarize participants with India and its people to an extent that they feel comfortable while looking at it as a prospective market. This session would provide a 360 degree view of Indian nation, history, society and culture.

- a) Historical Background: An Idea of India and its civilization
- b) Socio-Cultural Background: Indian Society, Culture & Religion
- c) Historical perspective towards trade and openness
- d) Post-Independence: Modern Political Economy Background

Session-2 (December 1, 2016): India: Emerging Economic Giant

Objectives: To delve deeper about the changing socio-economic landscape and the emerging economic institutions and climate. Participants are expected to internalize the specifics of these institutions and statutes as any decision taken by them has to be within the confines of regulations promulgated by the institutions discussed in this module.

- a) Opening-up and Globalization of Indian Economy
- b) Emerging Regulatory Framework
- c) Changing Investment Policies and approach to foreign capital
- d) Impact of changing economic climate on Indian Businesses
- e) Competing Giants: India & China

Session-3: (December 8, 2016): India: Land of Opportunities & Challenges

Objectives: To understand how opportunities surface due to fast changing economic and political climate and the emerging institutional voids. The session highlights the relationship between business, regulations and politics and touches upon the concern for mitigating risks arising out of unconstructive interplay of these forces.

- a) Spotting Opportunities & Challenges
- b) Changing face of Indian Consumer
- c) Competitive Landscape
- d) Rural India & Market at the Bottom of the Pyramid

Session-4: (December 8, 2016): India: Succeeding in India

Objectives: This session focuses on the nuances of doing business in India and the need to develop a deeper insight about the ways to succeed in Indian market. It focuses on the numerous challenges faced by companies in tapping various stakeholders and the need for developing innovative approaches to reach out to their customers. The session also talks about the emerging sectors and players from India.

- a) Reaching Out: Communicating and working with Indians
- b) Specific aspects of Indian behavior
- c) Collaborating with Indian firms
- d) Jugaad: An Indian form of innovation
- e) Emerging Entrepreneurial Ecosystem and Social Value Creation

Suggested Readings:

View the six-part PBS series on The Story of India (www.pbs.org/thestoryofIndia/).

‘The Discovery of India’ by Jawaharlal Nehru.

William Dalrymple, (2009), Nine Lives: In Search of the Sacred in Modern India.

Gunjan Bagla, (2008), Doing Business in 21st-Century India: How to Profit Today in Tomorrow's Most Exciting Market.

Tarun Khanna, (2007), *Billions of Entrepreneurs: How China and India Are Reshaping Their Futures—and Yours*.

Becky Stephen, (2010), *India—Culture Smart! The Essential Guide to Customs & Culture*.

Nandan Nilekani, (2008), *Imagining India: The Idea of a Renewed Nation*.

Tharoor, S (2007), *The Elephant, the Tiger and the Cellphone: Reflections on India in the Twenty-First Century*.

Bijapurkar, Rama (2007), *Winning in the Indian Market: Understanding the Transformation of Consumer India*.

Cohen, Stephen Philip (2002), *India: Emerging Power*, Washington: Brookings Institution Press.

Das, Gurcharan (2000), *India Unbound: The Social and Economic Revolution from Independence to the Global Information Age*.

The Economist (2015), *Special Report on India*.

The World Bank-IFC Report (2016), *Doing Business in India*.

World Economic Forum (2015-16), *Global Competitiveness Report*.

.Khilnani, Sunil (1997), *The Idea of India*.

Luce, Edward (2007), *In Spite of the Gods: The Rise of Modern India*.

Varma, Pravan K. (1998), *The Great Indian Middle Class*.

Amartya Sen (2006), *The Argumentative Indian: Writings on Indian History, Culture and Identity*.

Krishnan, Rishiksha T (2010), From Jugaad to Systematic Innovation: The Challenge for India.

Prahalad, C.K. & Hammond, A. (2002), "Serving the world's poor, profitably," Harvard Business Review, 80(9), 4858.

Online Sources of Information:

(A) Relevant ministries & departments of Government of India:

- Ministry of Finance (<http://mof.gov.in>)
- Department of Commerce (<http://commerce.nic.in>)
- Department of Industrial Policy & Promotion (<http://dipp.nic.in>)
- Directorate General of Foreign Trade (<http://dgft.gov.in>)
- Controller General of Designs, patents & Trademarks (<http://ipindia.gov.in>)
- Indian Trade Promotion Organization (www.indiatradefair.com)
- Ministry of Corporate Affairs (www.mca.gov.in)
- Foreign Investment Promotion Board (www.fipbindia.com)
- NITI AAYOG (<http://niti.gov.in/>)
- Data Portal of India (<http://www.data.gov.in/>)

(B) Industry regulators:

- Competition Commission of India (www.cci.gov.in)
- Reserve Bank of India (www.rbi.org.in)
- Securities & Exchange Board of India (www.sebi.gov.in)
- Telecom Regulatory Authority of India (www.trai.gov.in)
- Insurance Regulatory & Development Authority (www.irda.gov.in)

(C) Industry Associations:

- Confederation of Indian Industries (<http://www.cii.in/>)
- Federation of Indian Chambers of Commerce & Industry (<http://www.ficci.com/>)
- The Associated Chambers of Commerce & Industry (<http://www.assochem.org/>)
- Federation of Indian Export Organizations (<http://fieo.org>)
- National Association of Software & Service Companies (NASSCOM), (www.nasscom.org).