

Kirloskar Institute of Management, Harihar

Structured Industry Analysis Course

Learning through Project - Guidelines

- This is a group exercise and each group would consist of 3-5 members. The groups will be formed and communicated by the Course Instructor.
- Select any industry for analysis for which sufficient data and necessary information are available and can be accessed. You may also define the industry in the form of a product-market. Say 'mobile handsets market' or 'auto components market'. However, you have to ensure that published data is available publicly. Otherwise stick to industries that have data available. The Institute subscribes to CMIE Prowess database, which you can access. You may also wish to access opensource databases like money control as well.
- In case your group intends to take up a large industry, it is necessary to define the product market in it specifically that you intend to study. Say 'passenger vehicles' in the automobile industry or 'private sector banks' in the banking industry.
- Allocation of an industry to a group will be given on 'first-come-first-served' basis.

Point	Aspects to be researched and addressed in the report	Marks
1	<p>Employ Michael Porter's five forces model to analyse competition in the industry chosen for the study. Specifically do the following:</p> <ul style="list-style-type: none">✓ Identify all entry barriers✓ Assess the extent and nature of competition amongst existing players.✓ Determine the bargaining power of suppliers and buyers in the industry.✓ Evaluate the impact [if any], of sales of substitute products on the industry.	15
2	<p>Identify and list the top 5 players in the industry chosen. <u>You have to justify how you have determined that the firms you have chosen are the top 5 players.</u> All companies chosen have to be listed in the NSE/BSE so that data availability is not an issue.</p> <p>Alternatively, the data for the players should be accessible from CMIE Prowess/ Money Control/other trustworthy data bases.</p> <p>Compare the <u>net sales</u>, <u>profit before tax</u> (PBT) and <u>profit after tax</u> (PAT) of the top 5 listed companies selected over the 5-year period. Develop appropriate graphs to depict the trend of these three parameters for the 5 companies being studied.</p>	10
3	<p>Undertake an HHI analysis with proper conclusion. <u>At least 10 companies have to be selected otherwise your group will get '0' marks for this point.</u></p>	8
4	<p>Determine the nature of the industry (<u>emerging</u>, <u>high growth</u>, <u>mature</u>, <u>declining</u>, <u>fragmented</u>) with justification.</p>	3

5	Comment on the nature of competition in the industry (<i>perfect, oligopoly, duopoly, monopoly, monopolistic, etc.</i>) with justification.	3
6	How is technology affecting this industry? Is artificial intelligence or internet of things impacting the industry? Give two examples of use of technology that has benefited companies in this industry.	5
7	Identify the <i>Critical Success Factors</i> (CSFs) in the industry with proper justification. Justify.	3
8	Is ' <i>cyclical</i> ' or ' <i>seasonality</i> ' affecting the industry. Is it a <i>commoditized</i> industry?	3
9	Calculate the following ratios to examine the health of the top five companies over the 5-year period: <u>Profit margin</u> , <u>ROI</u> , <u>ROE</u> , <u>Current ratio</u> , <u>Quick ratio</u> , <u>Debt-equity ratio</u> , <u>Asset turnover ratio</u> and <u>Price earnings ratio</u> . Explain which company/companies is/are better managed and why.	15
10	Undertake a strategy group mapping, and then identify the different strategic groups present in the industry. Comment on the existence or otherwise of <i>mobility barriers</i> between strategic groups identified. (list the mobility barriers with clear explanation). Justify why each company was placed in a strategic group.	10
11	Compare business models of 2 companies that <i>operate on different business models</i> in the same industry. In your explanation, clearly bring out the differences in the two business models.	10
12	Identify firms that are <i>leaders, challengers, followers</i> and <i>nichers</i> . Justify the classification that your group has created.	5
13	List the key national/ global issues affecting the industry. M&As, start-ups, foreign competition, government regulation/ interference, etc.	5
14	Which is the regulator in the industry. Any regulatory action against players by SEBI, CCI, etc.? Is there ' <i>cartelization</i> ' in the industry?	2
15	Comment on how <i>environment, social</i> and <i>governance</i> (ESG) issues are being followed by the market leader or a prominent firm in the industry.	3

Marking pattern for industry project:

	Marks		
	Project report	Presentation	Total
Assessment components include project report and presentation cum Q&A.	10+50=60 (10 marks for identifying industry for study & 50 marks for the final report)	40 (presentation 20 marks and Q&A 20 marks)	100

This project is for 100 marks. 10 marks are for timely submission of the industry chosen for study to the **Course Instructor** in the given format, 50 marks for the final report and 40 marks for the presentation cum Q&A.

Note: for the project report marks will be based on **group performance**. While for presentation cum Q&A it will be based on **individual performance**.

Report submission schedule:

- i. Industry selection and submission to the course instructor by **04.00 p.m. on Oct 16, 2024.**
- ii. The industry chosen should be communicated via email to the undersigned. First cum first served principle will be followed in allocating industry to students for this study.
- iii. **Project report** to be submitted by **04.00 p.m. on Oct 28, 2024.**
- iv. Dates for final project presentations will be informed well in advance. **Project presentation** are likely to commence from **Nov 11, 2024** and are likely to extend up until **mid-December 2024.**

General guidelines for report preparation:

- ✓ Number of pages in the final report should be in the range of 12 to 14 pages.
- ✓ The font size should be 12 and typing in single space.
- ✓ Page numbers should be included in the text of the report at the bottom of the pages.
- ✓ Incisiveness of the analysis will be given due weightage.
- ✓ Complete bibliography should be enclosed as per guidelines given below.
- ✓ References in the bibliography should be written as under:
 - Book: Name of the author(s) (with surname coming first), year of publication, title of the book, publisher, place of publication, page(s)
 - Journal: Author(s) (with surname coming first), title of the page, name of the journal, year of publication, Vol. No. Page(s).
 - Business magazine/ Newspaper: Title, name of the magazine/ newspaper, year, month, day, and page(s).
 - Internet: the concerned url, followed by date of accessing it.
- ✓ Table of contents should be given at the beginning.
- ✓ Suggested data/ information sources: CMIE, NCAER, Business Today, Business World, Business India, Company Reports and the Internet.

Please bear in mind that importance is attached to each aspect detailed above and adherence to it in the reports submitted will be reflected in the marks awarded. Since the models/analyses included in the guidelines are of considerable importance and the evaluation will be strict, you are expected to take the project work seriously.

V S Pai

Course Instructor

SAMPLE LIST OF INDUSTRIES FOR PROJECT WORK (see next page....)

SAMPLE LIST OF INDUSTRIES FOR PROJECT WORK

Please note that a group need not restrict itself to this indicative list for choosing the industry for conducting the study.

1. Pharmaceutical
2. Information technology services
3. Commercial vehicles [HCV/ MCV/LCV]
4. Tractors
5. Auto components
6. Motorcycles/ scooters/ mopeds
7. Branded consumer durables
8. Kitchen appliances
9. Mobile phones (telecom handsets)
10. Mobile carriers/telecom service providers
11. Laptops/PCs
12. Branded footwear (organized sector)
13. Compressors
14. Passenger vehicles
15. Soft drinks (provided there are at least 5 companies)
16. Branded Cement
17. Construction/real estate
18. Branded bottled water
19. FMCG
20. Iron and Steel
21. Wrist watches
22. Organized retail firms (provided their data are available)
23. Branded apparel
24. Hotels
25. Automobile tyre manufacturers
26. Corporate hospitals
27. Branded jewellery
28. Paints industry
29. Power generation industry
30. Branded textile manufacturers
31. Public sector banks
32. Private sector banks
33. Branded liquor
34. Insurance industry
35. TV broadcasting
36. Automotive battery manufacturers
37. Bathroom fittings manufacturers
38. Ceramics manufacturers
39. Shipping industry
40. Stationery products manufacturers

Note of caution: please ensure that adequate data is available before finalizing the choice of industry.