

THE STRATEGIC LOSS

Seven years post retirement, while convalescing in bed, on night Dr. Narendra Mohan was remembering how many opportunities IMX had lost, which did not allow the latter to emerge as the leader in management education, not only in India, but globally. The thought was triggered when he landed up at an email he wrote to his friends some fifteen years ago (see exhibit 1).

Background of the Case

Dr. Narendra Mohan had joined the Institute in its formative years, 1986 to be precise and retired after 25 years' service in 2011. He had seen many strategic opportunities arising but lost. Not that he did not try for the Institute encashing it, but succeed in some and failed in many others. One of the reasons he felt was there was hardly any measure given in the literature for strategic loss in terms of opportunities forgone by not trying to encash them. The second one being lack of genuine interest of most members of faculty (especially Rai Saheb ones, who were ready to give unsolicited advice on any issue, without assuming any responsibility) and the Board of Governors (BoG) in the growth and development of the Institute. Lack of appropriate formal structure, policies and systems and skills for the purpose (which was never realised and consciously developed) were other significant factors. The last and perhaps the most important one was the style of many Directors, who enjoyed status, benefits and perks without any pressure for achieving targeted growth and development of the institute. Indeed, it may not be wrong to say that many Directors did not even realise what role the institute was supposed to play, beyond making pep talks here and there. Many had not even properly read the Memorandum of Association.

Overall he felt that the Institute had missed following wonderful opportunities.

1. Creation of Management Centre for Developing Countries (approved by the BoG) proposed by him in 1988 (when AMDISA was being formed) ([see exhibit 2](#)). The Board had approved the proposal in February 1989, but no action taken.

2. Missing the opportunity of becoming the largest institute of management in India in 1992, in terms of PGP intake. in the 8th year itself ([see exhibit 3](#)). Instead systematically demolished physical infrastructure created over a period of six years for two sections.
3. Missing the opportunity of creating the Euro-India Management Centre (EIMC), in 1991-92, first of its kind, which could have developed to support Euro-India ties ([see exhibit 4](#)). EFMD was inclined to support, but no response from IMX.
4. Creation of Academic Resource Park in 1995 ([see exhibit 5](#)). The director issued the order but did not allow action ([see exhibit 6](#))
5. Mutilation of Management Teachers Programme design, which the BoG had approved in the Perspective Plan 1993, as a result of which the role of institute in shaping the trainers and meeting the growing requirements of Management Teachers was lost. Instead, 20 years later the institute faculty was undertaking the task of in-house trainers as a consulting.
6. The lukewarm response to setting up first Professional body ([see exhibit 7](#)), SM Forum in a critical area of strategic management, killed the only initiative of grooming the management teachers.

“You may say the institute failed to emerge as a (global) leader, but to me it looks it was all lack of willingness from all the stakeholders, most of whom bothered about their own personal gains emanating from the brand of the institute. Not that we did not achieve anything, we remained around number 4 for almost 20 years from now, but lot more was possible”, said Dr. Mohan.

Q1. Critically evaluate the impact strategic failures mentioned in the case. Do you find any difficulty in assessing the same?

Exhibit 1

Narendra Mohan<nm @imx.ac.in>

7/14/2003

to bahaduru, rks, bcc: Shailendra, bcc: Prof.Anjani, bcc: Kashi

Dear Colleagues,

Many of you have been asking me from time to time the rationale for suggesting the Deans position. In the tea room discussion this week, some colleagues also asked for sharing the past initiatives for perspective plans of IMX.

I was able to locate the two documents from my old records. One, the perspective plan presented to the BoG in 1993, which was highly applauded by the Board members as a "Dream" plan. This position of Deans was proposed by me to realise these plans, when the BoG asked me to submit a plan for restructuring IMX, as a way to resolve some of the issues that were raised during an unfortunate strike.

The design that finally emerged was however different than what I had proposed, for whatever reasons. I am sure you would be able to understand the rationale for appointment of Deans, what they were supposed to do and why, to effectively implement the Perspective plan. There were misgivings also about the appointment. But you may like to think whether it was a conceptually wrong design or got vitiated? What if the structure proposed was accepted in toto? Was the perspective plan really bad? Could the plan have taken IMX to different, commanding heights, as an Institution of higher learning, guiding the whole of management education in India for entry level and continuing education, rather than limiting itself to a small number? Could IMX have benefitted the country with breakthrough research pieces making IMX a think tank for management education in the country? Was a dream lost? Why?

Narendra Mohan

If you wish to have an estimate of opportunities missed, I have worked out some estimates (see next page).

Perspective Plan 1994-99 of IMX (Continued from the last communication)

What might the country have gained if the perspective Plan was implemented as envisaged:-

1. IMX would have produced about 100 Ph. Ds (FPMs) @ 25 FPMS per year providing sound analytical support to the decision makers in the Industry and government. (For starting an IIM we need only 25 FPM equivalent qualified faculty)
2. Besides the above, IMX would have pumped out around 120 specialist managers teachers @ 20 teachers per year, who could teach 600 specialised courses in various management schools of the country.
3. Further, IMX would have helped strengthening the training establishments of at least 30 large organisations for conducting senior/ top management in-house by providing specialised high quality management trainers as good as trainers of any of the IIMs.
4. IMX would have trained 350/7 Senior/ Top levels manager @ 50 per years with 4 months long, high impact advanced level specialised courses in different disciplines, who could help the country face the challenge of global competition.
5. IMX would have been major producer of course material for management education and training at an accelerating pace, at a rate of over 120 new chapters of books in different functional areas of management, every year. It would have been instrumental in producing about 10 new books per year. By 2007 it would have produced high quality books for meeting the main text requirements of the management education and training in the country
6. It would have significantly helped in health services by inducting over 400 qualified managers in field of health service.
7. It would build intellectual infrastructure to conduct at least 10 national/ international level seminars/ conferences etc. every year.
8. It would have helped strengthening India's relationship with the world by extending single window assistance for management education, training.

9. The contribution of IMX would have many-fold more if the secondary and tertiary benefits through multipliers effects are considered.
10. All this would have been possible with almost the same infrastructure that the institute has built till date.

Why the above activities envisaged in the perspective plan (that would have helped IMX emerge as a distinguished seat of higher learning, of international reckoning) did not come up, with all the necessary of infrastructure in place now? Was the plan impractical? Was it difficult to implement? Could we not do it? Was it a failure of leadership (!)? Was it a issue of governance? Or we were simply non-serious and let this strategic failure take place? All this with a hefty 5- fold rise in fee in 10 years and perennial dependence on the government for budgetary support?