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RUBY BUILDERS - Chennai

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The case deals with a First generation entrepreneur who was born in a poor farmer family in Marayapuram. The case narrates the ideologies adopted and practiced by Dr. Ruby R.Manoharan (RM) who rightly made use of the opportunities available by organising and managing the resources. He operated keeping the following vision in mind "Make Chennai city living affordable for many staying in rented houses".

RM was born in a small village called Kunnathur near Kanyakumari district. RM came to Chennai after completing his basic education from Government school. He joined the Airforce in the year 1980 and travelled around the country to serve the nation. At the age of 35 he took up Voluntary Retirement in 1995 to take up real Estate business. In 1997, RM started his own company called "Ruby Builders and Promoters"(RB) named after his wife Mrs. Ruby.

RM he is known for his passion, dedication, hard work and social service. Since 1997, RB has constructed more than 4000 flats. They are now the market leader in the Chennai Southern Suburb. Identifying the requirement for basic materials like Ready mix concrete, Doors and Windows, etc they have developed in-house construction vertical. This has highly reduced their dependence on other suppliers and they are able to competitively fix the price.

The case study presents the challenge of expanding business to other parts of Chennai, Coimbatore, Trichy and Madurai. And also managing succession and grooming of his son to get involved in managerial decisions taken in RB. Being visionary RM has plans to expand his Corporate Social Responsibility by constructing Schools, Hospitals and Colleges.

Key Words: Entrepreneur, Family Business, Real Estate, Branding and CSR.

RUBY BUILDERS - Chennai

While millions of Indians are seeking for a job opportunity in and out of the country, a humble man changed the lifestyle of Chennai Sothern suburbs, Tamilnadu. The enormous change was led by a man known for his Passion, Dedication, Social service and much more – PMJF Ln.Dr.Ruby R. Manoharan (RM). He is a first generation entrepreneur and an Indian Air-Force Veteran. He is the Chairman and Managing Director of Ruby Builders, one of the leading Real Estate Companies with its presence in prime locations of Chennai viz. Tambaram, Pallavaram, Pallikkaranai, Selaiyur, Rajakilpakkam, Medavakkam, Velacherry Main Road, Perungalathur, Vandalur, Mannivakkam, Padappai and transformed and upgraded South part of Chennai to the next higher grade city (Exhibit 1). The vision of RM is to make Chennai city living an affordable home for many staying in rented house.

Ruby Builders, Pioneer in the construction industry who identified South Chennai as one of the potential areas for development are now a name to reckon with and have created history by developing Tambaram & surrounding areas which was ignored for any development few decades ago. Now Tambaram is considered as "Gate way of Chennai" due to the majority of people moving from Chennai city to suburbs due to drinking water, less pollution, peaceful life, etc. These advantages are rightly used by him to initiate many residential projects since inception of the company.

About Entrepreneur Childhood

Manoharan was born on May 25, 1959 in Kanyakumari District, Tamilnadu, the second child of Ramaswamy Nadar and Selvi. There are around 5000 families in his village where less than 100 families led a better life, due to Government jobs. Others worked as daily wage labourers in Agricultural fields, Rice Mill, etc. His father worked as a Cooperative Society Sales Man with a very low income. Due to his father's low income his family struggled even for basic necessities. So at his tender age, he started contributing to his family by doing small errands. Earning a livelihood and taking care of the members of the family became a primary matter of concern; education stands a little or, very often, no chance of pursuance. Education is perceived as a high-priced luxury. But after Perunthalaiver (Great Leader) Kamarajar's introduction of the Midday Meal Scheme, he started going to school at least to get one time good food in a day. He was an average student in his school. Due to his poverty he developed inferiority complex and made him to be alone in the class without many friends. After completing 11th standard he and his elder brother were interested in doing their higher studies but their family situations forced them to move to Chennai for employment.

Work Experience

At the age of 18, he was employed in a small showroom as a sales man, where he worked for 14 hours a day with a monthly salary of Rs.1200/-. Mean while he applied for ITI program in Chengelpet and PUC in Madras Christian College, but unfortunately he did not get seat from both the colleges. Through one of his relative he got introduced to Mr.Robinson, IAF Officer. Robinson advised Manoharan to apply for a job in Indian Air Force in the year 1978. He received interview letter from IAF, where 3000 people attended the interview and 300 selected for the post of Mechanical Transport Driver (MTD) and he was one among them. In 1979 he joined Indian Air Force with a salary of Rs.3000/-. First posting at 10 Air Force Hospital(10AH) located at Hasimara, West Bengal, which is considered one of the toughest places to work. Then he got transferred to Tambaram Airforce Station. After serving IAF for 15 years, he joined Airport Authority of India (AAI), Menambakkam in the year 1995 as a Fire Operator.

Employee to Entrepreneur

At the age of 31, he got married to Ruby, D/o Kurusumuthu. The bare reality of life made him to understand that you cannot wait for things to happen; you need to do something on your own to put your future in your hands. So he quit his job and decided to take up Real Estate Business.

Source of Fund for 1st Project

His brother Rajan, gave him 4800 sq.ft of vacant land for starting his construction work. For capital, he invested his own savings of Rs.5 Lakhs from hand and a part amount through finance loan. He was also financially supported by his Father-in-law and his brothers. Collectively with an initial investment of Rs.15 Lakhs, he started constructing 12 units apartment. While his project nearing completion, still he could not able to sell even a single unit. After investing all his savings and borrowed huge sum of money, he was upset without knowing what to do next.

Turning Point to No Turning Back

A family friend of RM was a regular reader of newspapers gave him an idea of advertising in "The Hindu" newspaper which is No.1 newspaper. So he gave 2 lines classified advertisement in "The Hindu", for Rs.2000/- after which he started getting response. But converting the enquiry into business was his next major task because people call on landline and say I will come to Tambaram Bus stop at a specific time. So he will be waiting in bus stop to meet his potential customer, but many occasion they never turned up. Due to his determination he managed to convert the enquiries into sale and sold all the 12 units within 3 months of project completion at Rs.3.5 lakhs per unit. He earned a profit of Rs.17 lakhs from his 1st project itself, which really motivated him to do better and invested all his profits in buying lands in 3 places for his subsequent projects. After this achievement there is no turning back for RM.

Building Future Since 1997

RM was widely recognized for his visionary approach and contributions to construction industry through his pioneering role developer and corporate leader who has transformed the urban landscape of South Chennai by setting new standards in the affordable housing segment and urban development scenario, generating new employment opportunities & changing lifestyles.

Under his dynamic leadership and customer-centric approach, the company have created a track record by completing over 169 projects accommodating more than 4000 happy families amounting to the tune of appx.3.5 million square feet of residential space in a span of 17 years.

Expansion and Growth Strategy

RUBY Builders are further expanding their base with their on-going residential projects of around 1.5 million square feet with all types (low-rise, medium rise and multi-storied buildings) of residential buildings which are under various stages of development viz, RUBY GRAND at

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Selaiyur with 304 flats, RUBY Elite on the Velacherry Main road with 206 life style apartments, RUBY LANDMARK near Vandalur with 298 flats, RUBY REGENCY at Selaiyur with 144 flats, RUBY STAR CITY at Perungalathur with 154 flats, RUBY RESIDENCY at Tambaram with 160 flats, RUBY DELUXE near Vandalur with 80 flats, RUBY HOMES at Rajakilpakkam with 88 flats & RUBY PRIDE at Pallikkaranai with 30 flats and the list goes on.(Exhibit 2). The immaculate design, location, affordable pricing, quality construction, on-time delivery are some of the fundamental principles of RUBY Builders.

Location Strategy

RUBY group emphasises more on finalizing the strategic location with a vision for the future while short-listing and finalizing the project site to have a potential for socio- infrastructure connectivity, employment zone, educations and health units developments to provide an inclusive growth opportunity for their customers. This futuristic approach of the RUBY group has attracted many customers to choose their preferred homes in RUBY. (Exhibit 3)

Planning, Execution and Delivery

Team RUBY have well Experienced Architects, Consultants, Sub- contractors, Vendors, experienced in-house construction team to finalize the efficient floor plan layouts with facilities and amenities, execution of design into the finished product with the utmost care on quality control and quality assurance measures in compliance to the safety norms to deliver stable and safe homes to their esteemed customers.

Cost Affordability - Customer's Point of View

To achieve the objective of providing affordable homes to the buyers, RM has developed in-house construction vertical and mechanized the construction practices with own infrastructures facilities, modern machineries and equipments.

He has also ventured into backward integration of the business by setting up in-house ready mix concrete plant and other building materials facility to improve the construction cycle time, control of cost, overheads and to ensure on-time delivery of cost effective homes to RUBY's esteemed customers.(Exhibit 4)

Customer Relationship Management at Ruby

RM follows the Principle of "Work is Worship" and “Customer is God". As a Mentor of the RUBY group, he advises his entire team to deal with every prospective and existing customer in a friendly manner and continue the cordial relationship even after the maintenance period of the project. This 360 degree of customer friendly approach continues to invite the customers for repeated purchase and also multifold the new customers list for the entire RUBY Group.

The success of the brand “RUBY” lies on the exclusive customer-centric approach right from Chairman to every associate. The feasible customisation of the designated layout of maintenance and support services even after completion of maintenance period are USP of the RUBY group. The continued repeated customer's responses have made TEAM RUBY to further sharpen their focus to cater for customer's increasing needs.

This customer centric approach continue to retain RUBY Builders as One Stop Destination for the Home buyers like how Stone RUBY is considered as One of the Precious stone in the Gemology.

Challenges

After being in the construction industry for more than 17 years, Ruby Builders (RB) has built a strong reputation and is known for offering exceptional services given to their customers. But off late they face competition from other players from the industry, who ventured into the Tambaram territory, of these some are local players and other national players. The modern age customers are price conscious and compare prices on social networking sites for different projects in the same locality. They look out for the projects with minimum price range and all other factors are secondary to them. Now RB must decide whether to continue the pricing strategies adopted earlier or to be low cost projects.

The next most important challenge RB faces is that of expansion. They intended to expand to other parts of Chennai and also places like Coimbatore, Trichy and Madurai. The reason being the fast development of neighbouring cities like Coimbatore which is one of the fastest growing tier-II cities in India and a major textile, industrial, commercial, educational, information technology,

healthcare and manufacturing hub of Tamil Nadu. So many people have started to settle in these regions for employment and businesses. But the problems are to find the ideal location and cost reduction to stay competitive and creating a brand.

Until now most of the key decisions were taken by RM for all his projects, but he wants his son to be actively engaged in all decisions taken at RBPL. Being an Architect by profession his son is doing an excellent job in conceptualizing the efficient master planning and lay-out of various projects but RM feels that involving his son in managerial roles will help their business to the next level.

Advisory Role Model for Budding Entrepreneurs

RM has also inspired many aspiring young minds to get into the construction industry by setting a great example. His book titled “NEENGALUM BUILDER AAGALAM” means “YOU TOO CAN BECOME BUILDER” written in Tamil has been a Guiding Manual for new and young entrepreneurs in the real estate and construction industry.

Many new developers still acknowledge that he is an inspirational personality to them and they follow his style of business model, since it is a proven way of success. He whole heartedly declares that his approach and business strategy, results and benefits should also be passed to the next generation.

He is an energetic, enthusiastic, affectionate, caring personality and easily approachable to each and everyone in the society- may it be a common man, customer, fellow members in the industry, media, and his employees as well to the site workmen. He is also holding the following positions in the Builders fraternity to share his experience and to scale up the industry to the next level:

- Member – Builders Association of India
- Member – CREDAI
- Member – Chennai Suburban Builders Association
- Member - Flat Promoters Association, Chennai North
- Past President & Advisor – Flat Promoters Association, Chennai South

Honours & Awards

RM, an altruistic person of great social values and passion towards hard work, devoted his time and energy towards the inclusive growth opportunity for the society with an unparalleled desire for excellence and perfection with acumen for on-time deliverables to his esteemed customers.

This conviction crowned him with several awards for excellence viz,

1. Lifetime Achievement Award from Lions International Club - 2015
2. Excellence in affordable housing award for the two consecutive years, 2012 & 2013 by His Excellency Dr. K. Rosaiah, Governor of Tamil Nadu
3. “Araneri Annal” Award by S.V.V. Trust - 2010
4. Best flat promoter - Vanigamani award - 2009
5. THE SEVA RATNA, a Prestigious Award instituted for Corporate Social Responsibility by Parthasarathy International Cultural Academy - 2009
6. “Doctor in Philosophy” by the Inter-American University of Humanistic Studies for commendable contribution to Civil Accommodations – 2009
7. Best business entrepreneur award - 2004

Corporate Social Responsibility (CSR)

RM, hailing from Marthandam in Kanyakumari District has a natural interest in social development, chose to contribute for the society by delivering affordable homes through his deliverables and gained recognition and respect in the real estate industry and society. He is very passionate about charity services to the needy and poor people. Apart from his own extending whole hearted financial help, as a Regional Chairperson of Lions Club, he motivates all those who are closely associated with him to take active part in social service activities. He was instrumental in donating 50 Metric Tons of Rice to the economically weaker section through the Lions' Club, Tambaram and holds the position of Regional Chairperson, Lions' Club Dist 324 A 6 and Trustee, Lion's Foundation Hemodialysis Units at Chrompet (South Chennai) and Red hills (North Chennai).

He also extends help to the under privileged people of our society enabling them to attain education for their better future and growth in their economical status. To ensure much needed standard education is within the reach of students hailing from his Village at Marthandam, he as a Founder Trustee and Chairman has instituted Sri Krishna Vidyalaya

Matriculation School and is providing free education to the needy youth of our soil. He encourages and honors the Teachers and Academicians, who moulds today's students to become better face of Future India.

According to him, there is a huge gap in supply of housing unit's with respect to the current demand. He feels proud to be a part of building nation by joining the scheme of House for Everyone. He also stressed that there is a tremendous responsibility on the Real Estate Residential Developers to meet this huge demand in providing affordable homes to the society with efficient design and amenities, one of the fundamental needs of a common man, which is being fulfilled by RUBY.

About Entrepreneur Family

Mrs. RUBY, the Director of the group and wife of RM, a highly successful first generation woman entrepreneur and interior designer, is the source of strength for the Chairman and Managing director and also for the entire group to ensure continued success in all the efforts and endeavours.

Mr. ASHOK MANOR, a young entrepreneur and son of RM, is an Architect by profession, and also a Vice Chairman and Joint Managing Director of Ruby Builders and Promoters, who conceptualize the efficient master planning and lay-out of various projects.

Ms. CINDHYA MANOR, daughter of RM, pursues her under graduation in medical science to continue to carry forward the relay of his father's vision of providing social development in Health sector too.

TEACHING NOTE

RUBY BUILDERS - Chennai

Case Synopsis:

The case deals with a First generation entrepreneur who was born in a poor farmer family in Marayapuram. The case narrates the ideologies adopted and practiced by Dr.Ruby R.Manoharan(RM) who rightly made use of the opportunities available by organising and managing the resources. He operated keeping the following vision in mind "Make Chennai city living affordable for many staying in rented houses".

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From MR to PMJF Lion Dr.Ruby R.Manoharan, he is known for his passion, dedication, hard work and social service. Since 1997, RB has constructed more than 4000 flats. They are now the market leader in the Chennai Southern Suburb. Identifying the requirement for basic materials like Ready mix concrete, Doors and Windows, etc they have developed in-house construction vertical. This has highly reduced their dependence on other suppliers and they are able to competitively fix the price.

The challenge that they now face is to expand to other parts of Chennai, Coimbatore, Trichy and Madurai. And also managing succession and grooming of his son to get involved in managerial decisions taken in RB. Being the visionary he is Lion Dr.Ruby R.Monoharan has plans to expand his Corporate Social Responsibility by constructing Schools, Hospitals and Colleges.

Key Words: Entrepreneur, Family Business, Real Estate, Branding and CSR.

Courses and Levels for which the case is intended:

Entrepreneurship courses in PG level programmes of Management

Teaching Objectives:

1. To encourage the students to become an Entrepreneur and to discuss the issues related to skills to be successful.
2. To teach the development of Business Plan.
3. To teach optimum utilization of resources available to stay competitive in the business.
4. To understand the strategy to be adopted at the time maturity stage.
5. To understand the importance of Corporate Social Responsibility.

Theory Application:

1. Entrepreneurial skills 2. Family Business and Succession Planning 3. Branding 4. Competitor Analysis 5. E-Commerce 6. Managerial Decision Making

Research Methods:

Primary Data Source	:	Personal Interview
Secondary Data Source	:	Websites, Magazines, Newspaper, etc

Suggested Teaching Methods:

The proposed pedagogical approach is to divide the students into teams. The team can use the case to identify the issues they must to answer at each stage. After completing, the team can present the case study in front of the other teams in the presence of faculty. The faculty and other teams can raise queries and get clarified their doubts in order to evaluate their solutions. After evaluation the best solution could be used for decision making.

The sequence and Key Learning Issues are:

Taking a decision to start Real Estate Business	Characteristics of an Entrepreneur, Identifying the Business Opportunity.
Evaluating the Business Idea	Measuring the window of opportunity, Feasibility Study, Market Research and Demand Forecasting.
Developing a Business Model	Business Model, Segmentation, Targeting, Positioning, SWOT, etc.
Branding	Using Social Networking Sites

Discussion Questions and Guideline to the Questions

Questions	**Guidelines**
How did Ruby R. Manoharan(RM) arrive at the Real Estate Business Idea? What factors influenced his decision?	Discuss about family situation, work experience, funding, etc.
Is risk taking will pay off for the entire entrepreneur's who wants to start business?	Discuss about how RM pledges all his life savings, loans, etc to start his business. And how he succeeds in his first project.
Is it taking the profits from the business for personal use a right decision?	Discuss if an entrepreneur made any profit, then they should invest the profit for further development of the business.
What promotional strategies to be adopted to stay in the competitive world?	Discuss about the modern customers who are tech savvy always compare the products/services available in the market also source reviews from other customer about their experience. So, how RB can promote their brand using Social Media.
How segmentation works in real estate business?	Discuss about the different types of projects RM initiated like Low, Medium and High Rise to cater the needs of customer.
If you are appointed as Business Development Manager in RBPL, what would be your plan of action to expand to other parts of state?	Location, Branding, Recruitment, In-house Management, Service Quality, etc
What pricing strategy should RM adopt to stay competitive in the Real Estate business?	Market oriented, Penetration pricing, etc can be used at the time of Maturity stage.
If you are in the shoes of RM, what will you do to motivate his son to actively take part in managerial roles?	Ask his son to start a project on his own from location identification to handing over the flats to their customers. Ask him to handle a problem which company is facing currently.
Is Corporate Social Responsibility must for all organizations?	Discuss the benefits of CSR and how it helps the business in a long run.

Questions:

1. What is the key learning's from this case study?
2. Can you suggest how RM can make his son to involve in key decision making role?
3. What pricing strategy could RM adopt for their upcoming projects in Chennai?
4. If RM wants to expand to other parts of the Tamilnadu, what strategy he must to adopt to succeed?

Exhibits



Exhibit 1

Low Rise – Ruby Residency



Medium Rise – Ruby Flamingo



High Rise – Ruby Landmark



Exhibit 2



Exhibit 3

Businesses in Ruby Builders, 2014: Turnover 2012 to 2014 (Rs. In Lakhs)

Company Names	31-03-2012	31-03-2013	31-03-2014
1. Ruby Builders and Promoters	6189	9239	10735
2. Ruby Manoharan Property Pvt. Ltd	1601	3075	3817
3. Ruby Ready Mix Concrete	NA	NA	NA
4. Ruby Doors and Windows	NA	NA	NA

Exhibit 4

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Neengalum Builder Aagalam

The Hindu – Advertorial dated 31st October 2014.

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Narayana Murthy: The Table Turner in Troubled Times?

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The present case revolves around the comeback of Narayana Murthy as executive chairman at Infosys and its aftereffects. The time span considered for the study is the period between May 2013 to July 2014. Infosys was leading the charts in the IT/ ITES sector company in terms of both growth and profitability in industry till 2011. After the retirement of its chairman Narayana Murthy in August 2011 the company could not sustain the changing industry dynamics and went into a downslide in terms of its shares, growth rate and market share. These tried times called for the comeback of Narayana Murthy on June 1, 2013 as the Additional Director and Executive Chairman of the board for a period of five years replacing K V Kamath.

The reinduction of Murthy to Infosys is the trigger for this case and sets to examine the challenges faced by leadership in transforming and turning around an organization. It showcases the initiatives he took in this challenging situation and the changes that followed. The case ends with the appointment of Vishal Sikka as CEO of Infosys and subsequent departure of Murthy from the responsibilities of his organization.

Key Words: Succession Planning, Business Ethics, Leadership, Change Management, Corporate governance

Introduction

The year 2011 saw Infosys struggling to retain its bellwether position in the IT sector. Earlier it was the second largest IT exporter, but it lost that position to Cognizant in August 2012. From 2008 to 2011, its share price fluctuated a lot going a good 10 percentage points lower than the Sensex growth. Global uncertainties also dented the performance of Infosys. It started giving lower than expected revenue guidance of 6-10 percent growth for fiscal 2014, compared with the 12-14 per cent prediction by industry grouping NASSCOM. There was a decline in company's shares by 15 per cent, growth at half the rate at which rest of the industry expanded in 2012-13 and lots of criticism from investors for missing its earnings guidance and rivals poaching on its market share. Its main rival TCS had also increased its revenue lead over Infosys. It was consistently growing faster and in 2011-12 grew at 31 per cent versus Infosys that managed a full year growth of 23 per cent. (Exhibit 1)

Things were not at all rosy for the company. This triggered the board's decision to call back Narayana Murthy's on June 1, 2013 as Executive Chairman at Infosys. This was aimed to regain some of its lost position, and to help the company cope with current market realities. His reinduction was made keeping in mind his entrepreneurial and leadership record and his long experience as technology pioneer. He had displayed a tactical finesse that has earned him a reputation as one of India's canniest entrepreneurs. It was thought that he would be able to provide a strategic direction in troubled times and bring back its lost glory.

This news created ripples in the Indian IT/ITES industry. Headlines screamed of Narayana Murthy's return to Infosys as the Executive Chairman on the board. Murthy joined the legacy of Michael Dell, Steve Jobs and Howard Shulz, in the entrepreneurial hall of fame when he returned to his startup after stepping down from the board to become Chairman Emeritus in 2011 (Jayashankar, 2013). Economic Times stated "Narayana Murthy can change Infosys- the prisoner of his legacy".

Infosys' struggle with leadership transition and implementation of a consulting-led strategy for the past two years triggered the board to reinstate Narayana Murthy, 66, as the Additional Director and Executive Chairman of the board for a period of five years on June 1, 2013 replacing K V Kamath. This move rejoiced shareholders of Infosys. "We are happy that Murthy is coming back. We have an extended family and whenever a family member comes back, either invited or as a surprise, you are always happy," said Shashank Gupta, an assistant vice-president at India's second-largest software exporter (Prasad, 2013).

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