

IIM Trichy Research Seminar Series

Central to the academic life is the spirit of enquiry, conversation and debate. The primary intention of the IIM Trichy Research Seminar Series is to nurture this spirit amongst the Fellow Program (FP) community. This initiative was conceptualized by and is administered by the FP students.



Session 07

Date: 6th February 2019, Venue: CR013, Time: 2:30 PM

Mathematical model to mitigate planning fallacy and to determine realistic delivery time

Author(s): S. Yamini (Faculty, IIM Trichy) and Rahul R. Marathe (Faculty, IIT Madras)

Category: Research Paper Published in IIM B Management Review (ABDC: B)

Presented by: S. Yamini (Faculty, OM & QT Area)

Abstract

Planning fallacy is the tendency to underestimate the duration of a task due to the optimistic bias of individuals. We design a mechanism from the principal's perspective (an original equipment manufacturer (OEM)) to mitigate the optimistic bias of agents (a contract manufacturer (CM) and a supplier) in a serial supply chain. The OEM determines the deadline of agents by explicitly factoring the agent's planning fallacy in the model through the cost under-estimation factor. Further, we prove that threshold-based incentives are better than lump-sum bonus to motivate the supplier and the CM to mitigate procrastination of task.

<u>Broad Theme of Discussion</u>	<u>The Inquisitives</u>
<ul style="list-style-type: none">• Digital distractions as an unanticipated factor in planning fallacy• The need of comparison of two models of OEM supply chain for the paper• Mathematical modelling for the paper and the complexity involved	 <i>Prof. Sankalp</i> (Strategy)
<ul style="list-style-type: none">• Considering strategic manipulation/deception by others as variables contributing to planning fallacy• Data generation for decision variables	 <i>Prof. Vijaya</i> (OB & HRM)
<ul style="list-style-type: none">• Supply chain model used by automobile industry	 <i>Jitesh</i> (Strategy)
<ul style="list-style-type: none">• Inter-relatedness of the optimization and profit function of supplier, OEM and CM	 <i>Arun</i> (Strategy)
<ul style="list-style-type: none">• Thinking about the past project when deciding on the plan of current project	 <i>Kumaravel</i> (OM & QT Area)
<ul style="list-style-type: none">• Time based competition and the suitability of 'lost opportunities' and 'time pressure' as factor to count in calculation of time-based competition	 <i>Rupesh</i> (Finance)

<ul style="list-style-type: none"> • Applicability of the model presented to varied tasks and the complexity of breaking down a task into sub tasks 	 <p><i>Vimal (MIS)</i></p>
<ul style="list-style-type: none"> • Quality of work as a variable in planning fallacy model 	 <p><i>Mueen (Strategy)</i></p>

“Mannarkkad Rural Service Cooperative Bank: Innovating at the Edge”

Author(s): Nidheesh Joseph (FPM, IIM Trichy), Abhishek Totawar (Faculty, IIM Trichy) & Ranjeet Nambudiri (Faculty, IIM Indore)

Category: Case Study (Honorary mention in ISB-Ivey global case competition 2018)

Presented by: Nidheesh Joseph (FPM, OB & HRM Area)

Abstract

Mannarkkad Rural Service Co-operative Bank Ltd (MRSCB) is a Primary Agricultural Credit Society (PACS) providing short-term credit to rural borrowers. It operates in the three-tier Co-operative Structure in Kerala, India. A Primary Agricultural Credit Society (PACS) is the basic unit (in the lending/banking system) which deals with rural (agricultural) borrowers, disbursing and collecting repayments of agricultural and rural loans. MRSCB stands out from the rest of the PACS’ in Kerala by providing best in class banking services and constantly innovating to meet its vision of providing the ‘pleasure of personal banking’ to its customers. It is named as the only bank in India to provide 24*7, 365 days banking operations through its all-night counter. Currently, the Kerala Co-operative sector, known for its stellar performance and community support is experiencing turmoil in terms of credibility and regulatory issues post bank note demonetization in India (announced on 8th November 2016). The organizations in this sector are also apprehensive about the upcoming introduction of Kerala Bank (slated to launch 17th August 2018) aimed at restructuring the current three-tier system to a two-tier system equipped with total banking solutions. Will these developments affect the identity and autonomy of the PACS in Kerala? Would MRSCB weather the storm of external elements that compelled this change? The case presents an illustration of continuous radical innovation initiatives of a small bank which provides an appropriate context to teach the critical elements

<u>Broad Theme of Discussion</u>	<u>The Inquisitives</u>
<ul style="list-style-type: none"> The need for brief/short cases. Lack of interest of the b-school students in reading longer cases. 	 <p><i>Prof. Sankalp (Strategy)</i></p>
<ul style="list-style-type: none"> Difference between growth and change. Person centric nature of the case and the concept of entrepreneurial leadership 	 <p><i>Prof. Vijaya (OB & HRM)</i></p>
<ul style="list-style-type: none"> Rules on PACS allowed to take monetary deposits RBI notification of disallowing PACS to use 'bank' word in name PACS governing committee and their contribution to the capital investment of PACS Role of PACS shareholders in committee Demonetization as a decision point in the case 	 <p><i>Jitesh (Strategy)</i></p>
<ul style="list-style-type: none"> Theory that explains the case Review comments from the ISB-Ivey case competition Connection between the theory being used and the problem presented 	 <p><i>Rahul (OB & HRM)</i></p>
<ul style="list-style-type: none"> The debate on the pros and cons of technology penetration in the banking transaction in rural India 'Kerala Bank' initiative by the Kerala govt. and its use as a decision point in the case 	 <p><i>Rupesh (Finance)</i></p>
<ul style="list-style-type: none"> The variability of institutional and logical constraints for the organizations and their challenge to "innovating at the edge" 	 <p><i>Padma (OB & HR)</i></p>