

# CMA DIGEST

June 2023, Issue - 82 Volume 35

## ED VOICE – From the Editor's Desk

Dear Readers:

Greetings from the CMA Digest Team!

The month of June is named after Juno, the goddess of youth and protection.

While it is heartening to see a lot of youth floating their start-ups and taking wings, it is equally important that those taking over family businesses continue the legacy of their predecessors and are not in a hurry to "exit" for the sake of massive profits. More details about this trend are elaborated in an article about our city of Coimbatore, in this edition.

June is also the month in which we celebrate the World Environment Day. While it is normal for companies to drive profits, it is also imperative that it should not come at the cost of causing irreversible environmental damage. "Go green" and "Go digital" should be the mantras, with the focus being on utilising renewable energy and implementing paperless systems, as far as possible.

As usual, it has been a pleasure to bring out our newsletter, and we look forward to getting your valuable feedback.

**Mr K Seetharam,**  
Editor, CMA Newsletter



### ***Editorial Team***

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**COIMBATORE MANAGEMENT ASSOCIATION**

## Entrepreneurial spirit of Coimbatore



Coimbatore, known for its spirit of entrepreneurship, appears to be at crossroads - companies built on this spirit look like are in a hurry to cash out. The founding fathers, first-gen entrepreneurs, built the city brick by brick, giving corporate companies a run for their money, growing shoulder to shoulder. In fact, many such entrepreneurial ventures became "Corporations" by themselves. For many years, Coimbatore city boasted of home-grown companies, to a large extent resisting the so called "Corporatisation". This is despite two among the largest companies in Coimbatore being firms, but one is not sure how long it would remain so, due to succession issues. It's intriguing why today's generation is up to speed to exit at first instance - very rarely, have such exiting entrepreneurs succeeded in new ventures. The reasons could be many:

- "Value" is valued more than entrepreneurship
- Remained "Personality" centric rather than becoming

"Process & People Centric", an essential requirement for sustainability

- Lack of confidence in next gen and succession planning to carry on
- Financial restructuring wherein debt is beyond manageable limits
- Fear of the future
- Insufficient change management and business portfolio management (Products/ Markets/ Technology)

It is hoped that the well-known entrepreneurial spirit of Coimbatore prevails.

**Dr. Nithin Devaraaj**  
Vice President CMA



## CMA & Firebird Institute of Research in Management CEO Talk Series - 16th June 2023



CMA Secretary Dr N Raveendran with Dr. Iswarya, Dr. Srinivas Rao, Dr. Malmarugan and students of Firebird

Coimbatore Management Association & the Firebird Institute of Research in Management, in association with CIO Klub, jointly organized the CEO Talk Series on Digital Transformation on June 16, 2023. **Dr. N. Raveendran**, Vice-President & Chief Information Officer (CIO) at Saithi Finance Ltd/ABT Industries Ltd, Coimbatore, graced the occasion. Dr. Raveendran has handled diverse IT-related portfolios and has a lot of IT-related honors and

recognitions in his credit. Dr. Raveendran is the President of CIO Klub, Coimbatore chapter, the Secretary of CMA Coimbatore Management Association, and a Rotarian attached to the Rotary Club of Coimbatore.

Being one among the 100 CIOs recognized, Dr. Raveendran saw an opportunity for digital transformation in the entire gamut of

operations. He gave a clear understanding of what digital transformation (Dx) entails and the best practices of digitalizing at Sakthi Finance. According to him, in a rapidly evolving business scenario, technology must capture changes from minute to minute. In the process of Digital Transformation, strong leadership is required to embrace the change, and all stakeholders involved must be satisfied. He also said businesses need to digitalize for survival and to remain competitive. Dr. Raveendran discussed the five pillars for successful Digital transformation- Customer

Excellence, People Excellence, Process Excellence, Information Security Excellence, and Statutory Compliance Excellence. He highlighted a few Dx tools and 10 common mistakes in automation.

During his talk, Dr. Raveendran said many companies say ERP is an employee reduction program. But in a real sense people will not be downsized, but right-sized, he added. Finally, the CEO talk series ended with a few good cartoons and an interactive Q&A session.

## ASSOCHAM CMA MILLET THIRUVILA 16th & 17th June 2023



Assocham, with CMA and other associations of Coimbatore, had organized a 'Millet Thiruvizha' on the 16th & 17th of June at CODISSIA Trade Fair Complex. Conferences on the health benefits of millets and its significance on a national level was discussed by



panelists that included the state's minister for Agriculture & Farmer's Welfare, and the Minister for Food & Civil Supplies. Stalls featuring various products made from millets were organized and people from across the country took part in it.

## Monday Musings

Monday Musings – June 05, 2023

### *Radiate Positivity*

A certified leadership coach and motivational speaker, **Ms. Priya Senthil** has over 16 years of experience in life skills training and personality development. She founded the Radiate Positivity Foundation to help create sustainable positive impact through academic education and life lesson training, especially for women and children. Her projects 'Shradha' and a training course for police officers of Coimbatore were well received and had made a good impact. She has also won a few awards as recognition for her work in this field, including the Most Inspirational Woman & Fantastic Woman awards. In her talk, she gave the participants some tips on how to talk positively, be it to your spouse, family members or to business associates and colleagues. She stressed that the tone, approach and words, if used well, can set or alter a

situation in one's favour. The topics discussed were: the 3 Why's, Expand your emotional vocabulary, Practice saying no to yourself, Break visceral reactions, Be accountable to your own flaws, Monitor your self-talk, Improve your body language awareness, and play the devil's advocate. The confidence, vibrancy, and motivation made for an interesting session.



The session was moderated by Dr Prashant Nair, who also welcomed the speaker.

Monday Musings – June 12, 2023

## *Building Blocks of Startup Entrepreneurship*

Organic SEO/SMO/ORM, UI-UX design, branding, storytelling, SEM, and Digital Marketing are some of the diverse fields that **Mr. Shameer** has experience in, for the past 14 years. He also had a brief stint as a scriptwriter for an animated explainer video, for which the firm also won a National level award from the Election Commission of India in 2015. He has founded and helped students and entrepreneurs to start their own startup ventures. Starting off with a definition of a startup, Shameer went on to break down each and every step that is most viable to start a new venture. He termed India as a land of opportunities as it was also a land of problems that needed solutions. The stages of a startup are: concept, pre-seed, seed, startup, early stage, mid/growth stage and later/growth stage. Each stage was explained in depth by the speaker for easy understanding. He also explained the relevance of business incubators, with a list of them in Coimbatore, for a healthy

startup environment. After US, India is the 2nd largest ecosystem for startups, with Tamilnadu having 11000 startups, with the 1st place being occupied by Maharashtra, boasting of 32000. A few of Coimbatore's renowned startups include Juicy Chemistry, RealWorks Studios, Healthbasix, Biofuel and Koval.co. He also explained the concepts of bootstrapping, angel funding, crowd funding and seed funding. In addition, he reiterated that grants were easily available through the government, corporate entities, and also the UN. CMA FP Mr. Anathapadmanabhan elicited more information by his insightful questions. The session was moderated by Prof Sreeram Nandhi of DJAcademy.



Monday Musings – June 19, 2023

## *Continual Improvement for Holistic Growth*

The 474th edition of Monday Musings featured **Ms. Vijayalakshmi Raman**, a data science enthusiast, who emphasized the need for continual self-improvement and resulting individualistic growth. Currently in the field of systems and process improvements, she comes with a rich experience of 25+ years in the corporate arena. A Six Sigma Black Belt and an ISO QMS Lead Auditor, her love for data made her explore the world of Business Intelligence, Robotic Process Automation, and AI. She has authored 3 books and is working on her 4th book on her favourite topic, Microsoft Excel. A life long learner, she wishes to die empty and is inclined toward holistic growth, a glimpse of which she shared with the participants. The 4 steps for optimal continual growth are Plan, Do, Check & Act. She peppered her talk with

tidbits on how to strive for continual growth, like taking small walks or doing exercises, prioritizing tasks at the start of the day, practicing verbal and written communication, giving time to relationships, financial planning, investing in oneself to grow personally and professionally, becoming socially responsible, and finding time to spend on hobbies and creativity. Tips on continual growth in one's workplace were elaborated as well. A comprehensive list for a SIP was also shared by her. The session was moderated by CMA Secretary, Dr. Raveendran, who also welcomed and introduced the speaker.



Monday Musings – June 26, 2023

## *IPL Tournaments – A Behind The Scenes Look*

**Prof. Leo Gertrude** is an experienced visual media & communications professional who has been a senior lecturer in Computer Games & Animation at Asia Pacific University, Malaysia, and is currently the HoD of the Department of Visual Communication at Kumaraguru College of Liberal Arts. He also has certifications in Cricket Coaching, Social Media Marketing, and Cyber Crime Specialization. He is passionate about ML, television production, multimedia, advertising and media research, and has directed promotional films and advertisements himself. He also is a

consultant/mentor for the Rajasthan Royals Team. Mr. Leo started with an impressive list of all the details of the IPL matches from its inception in 2008 to 2023. In the 597 matches played thus far in 17 venues with 1434 plyers, 1200 officials, 108 sponsors (2008-Rs 50lakhs & 2023-Rs250lakhs); the player salary bill was Rs 646.35crores in 2023, as compared to Rs 42.22 crores in 2008. The



controversies and revolutionary technologies make sure that the IPL matches stay in the limelight. A comprehensive list of all the departments (direct & indirect) involved behind the scenes for the tournaments include cricketing and coaching roles, team management, marketing and sales, media and advertising, event management, data and analytics, medical and fitness, legal and finance, PR and communications, hospitality, travel and tourism, security services, construction and infrastructure. A comparative study between the English Premier League & IPL gave the

participants a peek into the internal workings and areas worthy of improvement. Logistics, planning, ground preparation and security measures were also listed. These mind-blowing facts and sheer numbers made for an interesting session. The Q & A session elicited more facts. The session was moderated by CMA Sports Committee & Newsletter Chair, Shri Seetharam, who welcomed the speaker, and the Vote of Thanks was delivered by our Executive Committee Member, Shri MKG Anandakumar.

## Can AI Aid in Financial Decision Making

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### Neutralizing bias in financial decision making – Can AI aid?

Investment decisions are always tough calls. The market is flooded with investment strategies that support fundamentals as well as behavioural finance. Both types of strategies have their successes and failures, in relation to the larger economic conditions. However, in the last two years, on the onset of the pandemic, despite significant adverse impact on economic activities, the stock markets rose to all-time highs after the initial fall. That forced us to rethink the influence of human behavior on the holistic investment decision-making process, as human decisions are subject to individual and societal bias.

The rise of technology, particularly Artificial Intelligence (AI), is contributing to this decision-making process with data driven insights. Decisions by AI decisions are based on correlation and

statistics from millions of data elements. Interpretation from data is without prejudice.

Will AI's algorithms be an antidote to human biases in making more holistic decisions, or will it make the investment decision worse, as it may not factor in the nuances of human behaviour, or will the machine learning model learn the human biases and replicate, producing consequences not thought of?

Researchers usually identify different investment attributes as strong or weak indicators that propel the overall decision-making capabilities; however, this applies for conventional investors. By conventional, we presume the investors who are part of a homogeneous system and have overall synergy in accessing the market information. Plenty of studies have already been put in

place to figure out a constructive relationship among multiple self-limited and self-discriminated variables that affect the overall investor buying behavior. We were quite thrilled to dig deeper to understand whether this pandemic has made any significant changes in those numbers, more precisely from statistical inferences perspectives. One interesting point we could interpret from there is the predominance of cognitive biases and analogous heuristics, that means, investors are somehow affected by some ancillary extraneous parameters introduced during the pandemic, and those are impacting and driving the overall buying behaviours. This is indeed an interesting observation and provides us a lot of room to do further research to understand the umbrella effect.

We spent quite some time understanding the interrelations among the indirect variables with researcher lenses. We could realize the indelible presence of cognitive dissonance while analysing 'bandwagon effect'. It's more popular as 'herd behavior' among investors in the capital market. Investors tend to get pacified with a known yardstick even if the same is not relevant from the immediate transaction standpoint.

Psychologically, it's more distracting from a rational perception and akin to more conflicting beliefs. Now, if we look back and try to understand the genesis of this behavior, inconsistency in ROI is a paramount trigger here; now, analysts will say that's has been a generic cause for years, which is a fact. However, we wanted to extrapolate this to understand from the behavioural finance angle, as this has a huge potential to understand the causal relationships, so that in future, when we design an 'Artificial Intelligence' led investment platform, these parameters will help us to minimize the noise to a considerable extent. As per the self-standard model, we end up being normalized in both the ways. If initial assessment of stock price evaluation is compared to a known and universally accepted reference point, and is up to our personal standard, then it may transform into self-esteem moderation or idographic dissonance arousal. However, if the difference persists, then it goes through normative standards and transmutes to no self-esteem moderation, which is an example of nomothetic dissonance arousal. Knowing these relationships in detail will help one in designing high accuracy decision support systems capable of using predictive models.

### Management Quiz

1. What does 1HCY22 mean?
2. Name IOC's in-house matchmaking platform
3. NTPC's exclusive internal matrimonial networking site is known as \_\_\_\_\_
4. Which company has launched recyclable tubes and recyclable toothbrushes and made the technology available to everybody?
5. Reliance Retail's online beauty platform \_\_\_\_\_
6. Italian luxury car maker \_\_\_\_\_ is aiming to launch its first electric SUV \_\_\_\_\_ in India soon
7. What is 'Pump and Dump' in stock market?

For answers see page 07

Let's move on to technology-aided financial decision making. From Robo advisors helping in investment decisions to evaluating credit applications to underwriting insurance, AI algorithms have evolved over the years. Increased efficiency, faster timing, and better experiences are common knowledge. Research indicates that decisions are broader and fairer.

To quote Andrew McAfee of MIT, "if you want the bias out, get the algorithms in." AI can reduce the impact of human beings' subjective interpretation of data, as ML algorithms learn from the available data sources in the process, enhancing their predictive accuracy in making decisions fairer over time. These are the desirable outcomes of technology. However, going deeper, the underlying broad picture is not the same always. AI runs on algorithms and is trained on data. Evidence shows bias in outcome – both algorithmic bias (model bias) and data bias.

Research by Joy Buolamwini and Timnit Gebru, "Gender Shades, 2017", found errors in facial-recognition technologies, how the outcome differed by race and gender. The accuracy in detecting images of white faces was much higher, while the system almost failed in case of black images and particularly black women. Similarly, investigations by ProPublica on the use of AI in the US justice system ProPublica, found the system biased as it failed to demonstrate "balance for the false positives", which can be compared to the way Facebook failed in detecting "misinformation" on subjective context in recent times.

In financial decision making, this may lead to approval of loans to a segment of applicants, who may be more vulnerable to default in case of any immediate adverse economic condition that affect their credit standing, thereby creating a domino effect going forward. Similar scenarios may crop up in case of investment decisions as well, like favouring commonly traded stocks instead of value investing. Since algorithms work on statistics and correlation, it may tend to favour data overload overlooking survival deviations (when you look at things that survived, when the focus should have been on things that didn't), leading to "algorithmic bias," where the algorithms itself are most often the main source of the issue. Another case in point is the addictive algorithms deployed by social media platforms. After the onset of the pandemic, when the

economic indicators are dependent on a global health crisis caused by a virus, the efficacy of the algorithm becomes critical. Because of their self-learning nature, while algorithms adopt and implement their learnings for their efficiency and efficacy, the underlying bias gets deployed at scale unnoticed and unchecked.

It's not always the algorithm which is the cause of the bias, underlying data might be. If we train an AI on inaccurate data, it will give us biased results. Diversity of the data pool is one of the vital cogs as the algorithm trains and learns from it. If we train the system on dirt, we can't get beauty in outcome. Though there is no causal relationship between race and ability to make mortgage payments, studies have shown higher rejection of racial minorities. Other studies also show gender bias in financial underwriting. When self-learning AI systems work on these types of data inflicted with human bias, it runs the risk of amplification over time. With automated efficient processing, these AI systems have the potential to impact much larger customer segment in a short span, before being detected.

**As some regulators pointed out:**

"Algorithms shouldn't have an exemption from our anti-discrimination laws" – MAS

"If we are increasingly going to use the assistance of, or delegate decisions to, AI systems, we need to make sure these systems are fair in their impact on people's lives" – European Commission

"For consumers, the main risk from broad employment of AI technologies is discrimination" – BaFin

With AI quietly seeping into our lives, from facial recognition in mobile phones to digital assistants like Google home, Siri, or Alexa,

to virtual assistants almost everywhere, the necessity to reduce bias has become paramount. However, it calls for greater effort across stakeholders.

With this understanding of the behavioural science and AI technologies and the current business and economic scenario, it can go either way - reduce bias or amplify bias. At the same time, AI can't replace humans across the financial decision-making process either. The human touch still plays a significant role at a moment of crisis. So it is important to consider the nuances of human judgement and societal contexts while AI supports data driven insights – with humans and machines working together proving holistic financial decisions.

Source: <https://industry4o.com>

**AIMA - Upcoming Events**

- 05<sup>th</sup> July 2023** : New Trainer Skills: Train the Trainer
- 11<sup>th</sup> July 2023** : 32nd National Management Games (NMD 2023)
- 15<sup>th</sup> July 2023** : Training Program on GeM 4.0 (Government e-Marketplace)
- 19<sup>th</sup> July 2023** : Transforming Academic Institutions Summit



1. First half of calendar year 2022

2. IOCIans2gether

3. Parinay portal launched in 2012

4. Colgate

5. Tira

6. Maserati, Gran Turismo

7. It is a manipulative scheme to boost the price of stock through fake recommendations based on false, misleading, or exaggerated statements. When the price rises, the operators sell the stock

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