



International Journal of Management, IT & Engineering

(ISSN: 2249-0558)

CONTENTS

Sr. No.	TITLE & NAME OF THE AUTHOR (S)	Page No.
<u>1</u>	Role of Ontology in NLP Grammar Construction for Semantic based Search Implementation in Product Data Management Systems. Zeeshan Ahmed, Thomas Dandekar and Saman Majeed	<u>1-40</u>
<u>2</u>	Influence of Emotional Intelligence on Academic Self-Efficacy and Achievement. Armin Mahmoudi	<u>41-52</u>
<u>3</u>	Role of Online Education in Indian Rural Area. Prof. Bhavna Kabra, Prof. Swati Sood and Prof. Nilesh Maheshwari	<u>53-64</u>
<u>4</u>	Partitioning of Special Circuits. Bichitra Kalita	<u>65-77</u>
<u>5</u>	Modern Practices For Effective Software Development Process In Project Management. S. Mohamed Saleem, R. Selvakumar and C. Suresh Kumar	<u>78-109</u>
<u>6</u>	A Framework for IC-Technology enabled Supply Chains. Dr. V. Krishna Mohan and G Bhaskar N Rao	<u>110-132</u>
<u>7</u>	The Problem Of Outliers In Clustering. Prof. Thatimakula Sudha and Swapna Sree Reddy.Obili	<u>133-160</u>
<u>8</u>	A Comparative Study Of Different Wavelet Function Based Image Compression Techniques For Artificial And Natural Images. Nikkoo N. Khalsa and Dr. Vijay T. Ingole	<u>161-176</u>
<u>9</u>	Accession of Cyber crimes against Our Safety Measures. Sombir Singh Sheoran	<u>177-191</u>
<u>10</u>	The Problem Of High Dimensionality With Low Density In Clustering. Prof. T. Sudha and Swapna Sree Reddy. Obili	<u>192-216</u>
<u>11</u>	A study on role of transformational leadership behaviors across cultures in effectively solving the issues in Mergers and Acquisitions. Prabu Christopher and Dr. Bhanu Sree Reddy	<u>217-233</u>
<u>12</u>	ISDLCM: An Improved Software Development Life Cycle Model. Sachin Gupta and Chander Pal	<u>234-245</u>
<u>13</u>	Strategic Analysis of an MFI (Microfinance Institution): A Case Study. Sunildro I.s. akoijam	<u>246-262</u>
<u>14</u>	Applying E-Supply Chain Management Using Internal And External Agent System. Dr. J. Venkatesh and Mr. D. Sathish kumar	<u>263-274</u>
<u>15</u>	Video Shot Boundary Detection. P. Swati Sowjanya and Mr. Ravi Mishra	<u>275-295</u>
<u>16</u>	Key Performance Metrics for IT Projects. Dr. S. K. Sudarsanam	<u>296-316</u>
<u>17</u>	“M-Learning” - A Buzzword in Computer Technology. Pooja Grover, Rekha Garhwal and Ajaydeep	<u>317-341</u>
<u>18</u>	Survey on Software Process Improvement and Improvement Models. Sachin Gupta and Ankit Aggarwal	<u>342-357</u>
<u>19</u>	Integration of Artificial Neural Network and GIS for Environment Management. Prof. N. S. Goje and Dr. U. A. Lanjewar	<u>358-371</u>

Chief Patron

Dr. JOSE G. VARGAS-HERNANDEZ

Member of the National System of Researchers, Mexico

Research professor at University Center of Economic and Managerial Sciences,
University of Guadalajara
Director of Mass Media at Ayuntamiento de Cd. Guzman
Ex. director of Centro de Capacitacion y Adiestramiento

Patron

Dr. Mohammad Reza Noruzi

PhD: Public Administration, Public Sector Policy Making Management,
Tarbiat Modarres University, Tehran, Iran
Faculty of Economics and Management, Tarbiat Modarres University, Tehran, Iran
Young Researchers' Club Member, Islamic Azad University, Bonab, Iran

Chief Advisors

Dr. NAGENDRA. S.

Senior Asst. Professor,
Department of MBA, Mangalore Institute of Technology and Engineering, Moodabidri

Dr. SUNIL KUMAR MISHRA

Associate Professor,
Dronacharya College of Engineering, Gurgaon, INDIA

Mr. GARRY TAN WEI HAN

Lecturer and Chairperson (Centre for Business and Management),
Department of Marketing, University Tunku Abdul Rahman, MALAYSIA

MS. R. KAVITHA

Assistant Professor,
Aloysius Institute of Management and Information, Mangalore, INDIA

Dr. A. JUSTIN DIRAVIAM

Assistant Professor,
Dept. of Computer Science and Engineering, Sardar Raja College of Engineering,
Alangulam Tirunelveli, TAMIL NADU, INDIA

Editorial Board

Dr. CRAIG E. REESE

Professor, School of Business, St. Thomas University, Miami Gardens

Dr. S. N. TAKALIKAR

Principal, St. Johns Institute of Engineering, PALGHAR (M.S.)

Dr. RAMPRATAP SINGH

Professor, Bangalore Institute of International Management, KARNATAKA

Dr. P. MALYADRI

Principal, Government Degree College, Osmania University, TANDUR

Dr. Y. LOKESWARA CHOUDARY

Asst. Professor Cum, SRM B-School, SRM University, CHENNAI

Prof. Dr. TEKI SURAYYA

Professor, Adikavi Nannaya University, ANDHRA PRADESH, INDIA

Dr. T. DULABABU

Principal, The Oxford College of Business Management, BANGALORE

Dr. A. ARUL LAWRENCE SELVAKUMAR

Professor, Adhiparasakthi Engineering College, MELMARAVATHUR, TN

Dr. S. D. SURYAWANSHI

Lecturer, College of Engineering Pune, SHIVAJINAGAR

Dr. S. KALIYAMOORTHY

Professor & Director, Alagappa Institute of Management, KARAIKUDI

Prof S. R. BADRINARAYAN

Sinhgad Institute for Management & Computer Applications, PUNE

Mr. GURSEL ILIPINAR

ESADE Business School, Department of Marketing, SPAIN

Mr. ZEESHAN AHMED

Software Research Eng, Department of Bioinformatics, GERMANY

Mr. SANJAY ASATI

Dept of ME, M. Patel Institute of Engg. & Tech., GONDIA(M.S.)

Mr. G. Y. KUDALE

N.M.D. College of Management and Research, GONDIA(M.S.)

Editorial Advisory Board

Dr. MANJIT DAS

Assistant Professor, Deptt. of Economics, M.C.College, ASSAM

Dr. ROLI PRADHAN

Maulana Azad National Institute of Technology, BHOPAL

Dr. N. KAVITHA

Assistant Professor, Department of Management, Mekelle University, ETHIOPIA

Prof C. M. MARAN

Assistant Professor (Senior), VIT Business School, TAMIL NADU

Dr. RAJIV KHOSLA

Associate Professor and Head, Chandigarh Business School, MOHALI

Dr. S. K. SINGH

Asst. Professor, R. D. Foundation Group of Institutions, MODINAGAR

Dr. (Mrs.) MANISHA N. PALIWAL

Associate Professor, Sinhgad Institute of Management, PUNE

Dr. (Mrs.) ARCHANA ARJUN GHATULE

Director, SPSPM, SKN Sinhgad Business School, MAHARASHTRA

Dr. NEELAM RANI DHANDA

Associate Professor, Department of Commerce, kuk, HARYANA

Dr. FARAH NAAZ GAURI

Associate Professor, Department of Commerce, Dr. Babasaheb Ambedkar Marathwada University, AURANGABAD

Prof. Dr. BADAR ALAM IQBAL

Associate Professor, Department of Commerce, Aligarh Muslim University, UP

Dr. CH. JAYASANKARAPRASAD

Assistant Professor, Dept. of Business Management, Krishna University, A. P., INDIA

Technical Advisors

Mr. Vishal Verma

Lecturer, Department of Computer Science, Ambala, INDIA

Mr. Ankit Jain

Department of Chemical Engineering, NIT Karnataka, Mangalore, INDIA

Associate Editors

Dr. SANJAY J. BHAYANI

Associate Professor, Department of Business Management, RAJKOT, INDIA

MOID UDDIN AHMAD

Assistant Professor, Jaipuria Institute of Management, NOIDA

Dr. SUNEEL ARORA

Assistant Professor, G D Goenka World Institute, Lancaster University, NEW DELHI

Mr. P. PRABHU

Assistant Professor, Alagappa University, KARAIKUDI

Mr. MANISH KUMAR

Assistant Professor, DBIT, Deptt. Of MBA, DEHRADUN

Mrs. BABITA VERMA

Assistant Professor, Bhilai Institute Of Technology, DURG

Ms. MONIKA BHATNAGAR

Assistant Professor, Technocrat Institute of Technology, BHOPAL

Ms. SUPRIYA RAHEJA

Assistant Professor, CSE Department of ITM University, GURGAON

Title

**STRATEGIC ANALYSIS OF AN MFI (MICROFINANCE
INSTITUTION): A CASE STUDY**

Author(s)

SUNILDRO L.S. AKOIJAM

Assistant Professor

Institute of Management Studies (IMS)

Kurukshetra University

Kurukshetra, Haryana-136119

ABSTRACT:

This case is about YVU Microfin, an MFI (Micro Finance Institution) which has been engaged in Micro Finance activities for the last 15 years. Manipur is an industrially backward state having more than 70% people living in rural areas and most of them depending on Government Services for means of livelihood. There is no such scope of private sector in the state which can provide job as a means of livelihood. People have to depend on other activities like agriculture, handloom, handicrafts, weaving and dairy as means of earning for their livelihood. However, activities other than agriculture have also not been doing well due to certain social factor in the past few years. The people have no other options but to start up their new small business like grocery shops, vegetable vendors and other various small businesses as a means of earning. For this they need financial supports. But the economic condition of the state is very worse. The sources of finances are very less for such initiatives and they are not willing to provide finance very easily. In light of the above facts, YVU Microfin has taken up some initiatives like formation of SHGs and extending micro credit facilities to provide a means of livelihood for different groups of people through its microfinance activities.

This case focuses on the strategic initiatives taken up by YVU Microfin to provide a means of livelihood for the various people of the state. This case is also aimed at capturing the dynamics of strategic management of YVU Microfin.

Keywords: Credit, Microfinance, MFI, SHG and YVU

BACKGROUND:

YVU had emerged in 1970 from spontaneous urge of a group of 5 young teenagers responding to a flood that affected Thoubal and its adjoining villages. YVU is a group of young dedicated men and women as a voluntary endeavor primarily as a social service institution based on no-profit basis, having no political intention and to make variety of socially and locally based services available so as to reach the marginal farmers.

YVU - a movement of people particularly by youth identifies completely and directs its efforts in collaboration with local people to enable them to design their developmental initiatives, economically, socially, environmentally, so that the deprived classes of community also enjoy the fruits of human dignity resulting in transformation of their life and environment in which they live.

YVU is one of the NGOs which have been self sustained from its own income generating activities. YVU do not depend on others for its own sustenance. It has expanded its microfinance activities outside the state of Manipur i.e. in Assam and Delhi. YVU supports the rural and urban people to have their own income generation activities and made the stand on their own foot.

In recognition of YVU's contribution to national development, Government of India, Ministry of Human Resource Development awarded the prestigious National Youth Award in the year, 1987-88.

The developmental activities of YVU are spread over in 6 Districts of Manipur viz. i) Thoubal District, ii) Bishnupur, iii) Imphal West, iv) Imphal East, v) Chandel and vi) Senapati District. Outside Manipur YVU has its Microfinance Branch Offices at Guwahati, Assam and Delhi. The activities of YVU are aimed at improvement of livelihood circumstances of the people living in adverse situations. They can be included under different headings like irrigation, agriculture, livestock, horticulture, forestry, water & sanitation, income generation, vocational training, reclamation of cultivable land, appropriate technology, microfinance operation and various self sustainable income generating activities.

YVU has been the pioneer in the national development initiatives and has become a visible entity in the lives of socially disadvantaged and underprivileged community. YVU has been able to touch to the lives of more than 12,000 families over its four decade service to the cause of mankind.

YVU Microfin (YMF):

YVU Microfin is a microfinance unit of YVU. It is a trust registered under Indian Trust Act 1882. YVU commenced its microfinance operation in Manipur on 2nd October, 1996 under the leadership of Akoijam Tikendrajit, with a capital of Rs. 35,000 and small grant assistance from

Evangelische Zentralstelle (EZE), Germany. YVU works at grassroots level and operates through women groups, village committees, farmer-based local associations and youth groups. YVU is dedicated to enable them in their development efforts with the sole aim to enhance their economic base and enable them to lead a more dignified way of life in the local context.

In mid 1990s, YVU evaluated the impact of its projects. It was found that the community assets created under grant projects were not utilised properly and some of them were left abandoned. In such projects involvement of people is very minimal. The role of beneficiaries ended the day they got grant. YVU took a firm stand for self sustainability. It identified credit as a better tool for improving the economic condition of downtrodden people as well as sustainability of YVU. Hence, YVU started its microfinance operation in 1996.

YVU Microfin has its operation concentrated in the state of Manipur. Manipur is well known for general strikes, blockade and law and order problems. Their products are well designed keeping in mind the situation and people of Manipur.

Philosophy:

Vision

To empower the underprivileged people by augmenting their income earning capacity through credit support and other financial services towards their economic independencies and self – sustainability.

Mission

- In pursuit of its vision YVU Microfin has adopted the following missions:
- To remain an effective change agent and bring about a constructive transformation in the lives of people
- To improve its efficiency, sustainability and outreach;
- To improve the quality of life for micro-entrepreneurs, small business owners and poor households who have strong determination through provision of credit, capacity building and economic empowerment of downtrodden people;
- To promote & encourage income generating activities for poor

Cultures and Values

- **Transparency:** YVU Microfin is a transparent organisation. We believe that being transparent is an essential element of accomplishing their objectives. Borrowers are well educated about the rate of interest on loan and other charges. We do not have hidden charges. In every branch office, rate of interest and charges are displayed on a poster.
- **Secularism and nepotism:** YVU Microfin is a non-religious, non-sectarian and non-political organisation. All members are same in their eyes, irrespective of their caste, creed, religion or political affiliation. YVU Microfin is against nepotism. We do not favor anyone. In their yes, everyone is same.
- **Teamwork & creativity:** Encourage teamwork and creativity at YVU Microfin. YVU Microfin has come a long way through think and thin. What YVU Microfin is today is because of the dedication and hard work of its employees. YVU Microfin welcomes creative ideas from employees. Brain storming sessions are held regularly to come up with better ideas of serving the disadvantaged women.

AREAS OF OPERATIONS: YMF operates in the four major Districts of Manipur. They are :

- Thoubal District,
- Bishenpur District
- Imphal West District
- Imphal East District

COLLABORATIVE AGENCIES:

- Small Industries Development Bank of India (SIDBI)
- North Eastern Development Finance Corporation Ltd. (NEDFI)
- YMBT (YVU Mutual Benefit Trust)
- LMBT (Luxmi Mutual Benefit Trust)

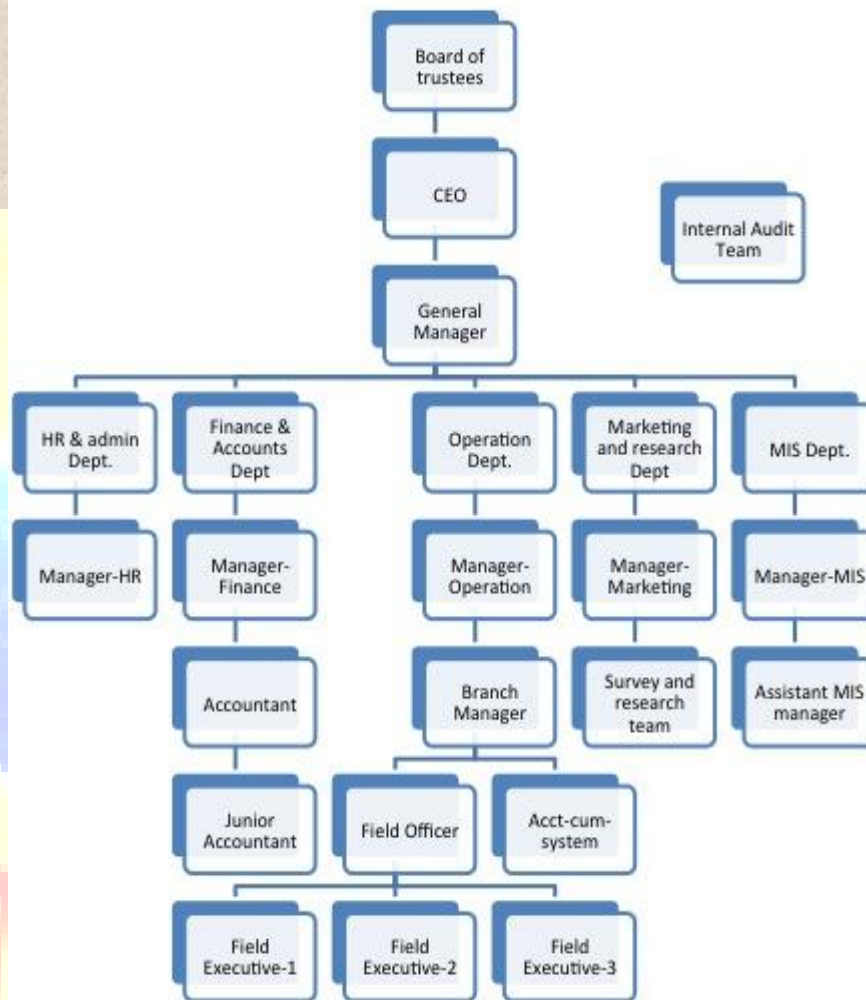
COMPARATIVE ADVANTAGES PROVIDED BY YVU MICROFIN: Some of the comparative advantages provided by YVU Microfin are:

- Low Interest rate
- Flexible repayment options.
- Less documentation
- On-site collection facility
- Rapid processing of loan.

INTEREST AT A GLANCE:

Sl.	Particulars	Interest p.a.
1	Daily / Weekly repayment loans	
	i) General category/ JLG (Loan above Rs. 10,000/member)	22.80%
	ii) CIG / SHG	21.00%
	iii) Widow, disabled, below poverty line,	18.00 %
2	Monthly repayment loans	
	i) General category	24.00%
	ii) Widow, disabled, below poverty line, CIG / SHG	21.00%
	INTEREST IS CHARGED ON REDUCING BASIS	
	NO HIDDEN COST	

ORGANIZATIONAL STRUCTURE OF YMF :



CREDIT POLICY:

- Loan only to the members.
- First Loan after having saved 10% of the demand loan.
- Credit delivery and recovery at members' doorstep.
- Savings deposit and withdrawal facilities at member's doorstep.

OPERATIONAL HIGHLIGHT:

PARTICULARS	As on 31st March, 2011
No. of Branch	09
No. of Field Staff	65
No. of State covered	3
No. of Districts Covered	09
No. of Active Group	1550
No. of Active Borrowers	12,273
Numbers of members	25,084
Outstanding Portfolio (Rs. million)	112.332
Cumulative Loan Disbursed (Rs. million)	202.69
Cumulative Loan recovery (Rs. million)	187.78
Repayment %	99.39
No. of Borrower Per Field Officer	188.82
Outstanding Portfolio Per Field Officer (Rs. million]	1.73
Operating Self Sufficiency Ratio (%)	173.00

SWOT analysis of YVU Microfin:**Strength:**

1. Dedicated and motivated staff.
2. Mutual co-operation and coordination between staffs.
3. Good environment to work.
4. Competitive advantage provided to the clients.

Opportunities:

1. Demand is more than supply.
2. Microfinance is a fast developing rural industry in the state.
3. Becoming a promising support for means of livelihood for many people
4. Goodwill

Weakness:

- Capacity utilization low

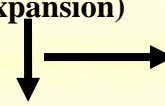
Threats:

1. Emergence of many MFIs in the state.
2. Law and order situations in the state.

IDENTIFYING STRATEGIC OPTIONS:

Examining the potential demand of micro finance for self employment of people in the state, the YVU Micofin can go for product development and market development strategy.

Products	Existing Products	New Products
Market		
Existing Market	Penetration (expansion)	Product Development
New Market	Market Development	Diversification



Reasons:

- Demand of micro finance is growing.
- Experienced and better networking with the clients.
- To strike in its core competence area like low interest rate, flexible repayment options and on site delivery of loans and collection of installments.
- Vast untapped market.

CONCLUSION:

Manipur is an industrially backward state. Most of people depend mostly on Government for jobs as a means of livelihood. The rate of unemployment is increasing very fast. So many educated youths are wandering around for a means of income. The scope of private sector is also very negligible. So the people have to employ themselves as a source of income and livelihood. For this, they need micro credit facilities in the form of micro finance from various MFIs which can provide small business loans for establishing small enterprises. The YMF has taken the initiatives for providing credit facilities to people belonging to different part of the states who has the potential and wanted to establish or expand their small business enterprises.

Major Issues:

1. Should YVU Microfin go for rapid expansion or keep improving on its core competence area?
2. Should YVU Microfin diversify itself to other financial products?
3. Will there be problems in the brand positioning of YVU Microfin which is perceived as Non Profit organization when they enter into the business of diversified financial products?
4. Will YVU Dairy be able to tackle various environmental problems including government interference and provide the means of livelihood to people of the state?

Success story of a Self Employed woman (Client of YVU Microfin)

One can live a decent life if he/she is hard working and gets the micro credit facility for establishing one's own small enterprise ---- says Mema Devi.

Name : Sukham Mema Devi

Age : 55 years

Village : Thoubal Ningombam

Education : 10th pass

She used to run a Dry fish vendor which earns a mere income for her entire family. His husband sits idle with no job. She has three sons, one at high school, one graduate and one post graduate. She used to manage everything from foods to her children's education through her mere income from dry fish vendor. Later on she got the information about micro credit facilities provided by YMF at such affordable interest rate and very fast process. She took business loan of Rs 5000 from YMF and expanded her vendor. She started earning a good income for her entire family. After the completion of first loan of Rs 5000, she took loan of Rs 10,000. In this way, the micro credit facilities provided by YMF proved to be a life saver for Mema Devi's entire family. Later on, one of her son also started a shoe shop with the small loan from YMF. Her son also started earning a mere income at the initial phase but at the later stage it proved to be a good source of income for himself and his entire family.

In this way, her entire family becomes a happy family with the more sources of income. Mema and his son started earning a good monthly income of Rs 15,000-20,000 per month which is a very good income in a state like Manipur with the financial micro credit facility from YMF.

References:

- Ansoff, H. Igor (1965), Corporate Strategy: An analytical Approach to Business Policy for Growth & Expansion, New York, Tata McGraw Hill.
- Kotler, P, Keller, K, Kosy, A and Jha, M, (2007), Marketing Management; A South Asian Perspective, Prentice- Hall of India Private Limited, New Delhi

- Porter, M, (1980), Competitive Strategy, Techniques for Analysis Industries and Competitors, The Free Press, New York
- Parry, Mark E. (1997), Strategic Marketing Management, Tata Mcgraw Hill Publishing Company Ltd., New Delhi
- Thompson, A and Strickland, A.J (2002), Strategic Management Concepts and Cases, Tata McGraw Hill, New Delhi.
- Rao, VSP and Krishna, HP (2003), Strategic Management: Text and Cases, Excel Books, New Delhi.

Websites:

- thoubal.nic.in/yvu.htm
- http://yvu.co.in/site/?page_id=180
- http://www.ccehimalaya.org/dir/EmpDetail.asp?Org_id=365&State=&City=&Name=&Status=&