

# *Madras Management Association: Managing Diversity, Growth and Excellence*

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## **Case Background**

Madras Management Association (MMA) was established in 1956 in Chennai by visionaries from various industries with a vision of being the "fountainhead of world-class management excellence in India". This was the time when public sector and multinationals were at nascent stage. MMA from the very inception has flourished and fulfilled its vision for over the five decades. It had grown to be the largest affiliate of All India Management Association (AIMA), and had emerged as an inspiring role model for Local Management Associations (LMA) in the country. The success of this extent has been achieved by MMA on the basis of effective Governance and Administration, efficient financial resources and brand value building from membership, meeting expectations of its stakeholders by mix of activities and effective response to changing environment which has results in launching of special programmes on entrepreneurship, institutionalizing various awards and Annual Conventions. The focus on vision and general management was so successful that MMA has won the Best Local Management Association (LMA) award among all the LMAs in the country from the All India Management Association (AIMA) for consecutive five times.

## **Activities of MMA**

1. MMA has collaborated with industry experts and other professional organizations to execute workshops, discussions, lectures, seminars, conventions, games, and factory visits MMA's portfolio of activities is diverse (Exhibit 7).
2. MMA offers nine classes of membership which serve three purposes- Source of financial and resource support, Barometer of MMA's brand value and Source of feedback on MMA's performance (Exhibit 5 and 6).
3. MMA organises Annual Conventions (WMC, NMC, MSC) on diverse topics, which has given MMA sponsorship support, various beneficial collaboration, and increased participation of delegates across Nations.
4. Unique ventures has been offered by MMA- Institutionalization of MMA Awards, MMA-KAS Project for Entrepreneurship Development, setting of Business Schools, launching Post-Graduate Certificate Programme in Business Management for professionals, creating other Institutions and expanding its horizons beyond Chennai.

## **Issues at the core**

Building a successful business model is not enough; it has to be a sustainable model. MMA was financially healthy and sustainable. It has fostered success in adaptation towards changing technology and demands of organisations, with the help of talented and efficient team of managers. But still issues related to sustainable development has knocked the doors of MMA which are:

1. As the membership of MMA is increasing and activities are becoming more diversified; is MMA deviating from its basic objective?
2. How to match MMA's original objectives by performance in changing business context and whether it should follow the same model and approach while expanding its boundaries outside Chennai.

## **Recommendations and future strategy**

MMA presently has, over 5000 corporate houses, industries, professionals, academics and executives on its rolls as members. It annually organized more than 400 management activities including top management seminars with a total participation of twenty thousand executives and entrepreneurs. On financial fronts, subscription and membership fees had grown up to 38% in 2009-10 from 29% in 2006-07 (exhibit 12 and 13), but

membership has also increased from 4,494 in 2008 to 6,597 in 2011 (exhibit 6). MMA's annual expenditure as a percentage of annual revenue decreased to 68%, also expenditure on running the programmes decreased to 16.5% from 26% of annual revenue in 2009-10 from 77% in 2006-07 while its surplus had increased to 33% in 2009-10 from 23% in 2006-07 (exhibit 12 and 13). So MMA is efficient in financial fronts, the major reason for this efficiency is large and stable membership which has increased in past 5 years. MMA has to focus in retaining membership in Chennai by continuing various mix of activities.

MMA is planning to expand itself outside Chennai, but the membership base at Hosur and Salem is 164 and 343 respectively, which is very low in comparison to Chennai which holds 5,883 memberships. MMA instead of launching all set of activities in other areas should focus on increasing membership. For this they can replicate the same initial model i.e. launching flagship training programmes first and then increases retaining programmes (annual conventions, special ventures, institutes, awards etc.). There are more areas where they can expand following the same model (Exhibit 15).

The major strength behind success of MMA is its Governance and Administration, which includes well structured Managing Committee (Exhibit 4). Committee members had always kept the vision in their mind and executed every programme effectively. Though individual objectives can be set for different programmes but the overall objective should be the managerial excellence.

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All love is expansion, all selfishness is contraction. Love is therefore the only law of life. He who loves lives, he who is selfish is dying. Therefore love for love's sake, because it is the only law of life, just as you breathe to live.

- Swami Vivekananda