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HIMANG INFRA: RECASTS THE CORE, BUILDS NOVEL IDEAS TO STEM CRISIS

Srivatsava Rajagopalan (Sri), the Managing Director of Himang Infrastructure Solutions Pvt Ltd, was sitting in his office, looking rather somber as he stared at his laptop. It was the year 2017. Business had come to a grinding halt at Himang Infrastructure after profitability had been on a downward spiral for a good few years. Finally, the company slipped into the red—a sharp contrast to the earlier part of the decade when the staff was busy juggling five project sites simultaneously. In some ways, given the cyclical nature of the real estate industry, Sri had predicted a downturn and had pre-empted it by spending in a conservative manner even when business was good. When the downturn happened, he had hoped it would be part of the five-year cyclical pattern that the industry usually witnessed. It ended up being a seemingly bottomless slump, much worse than what anyone had predicted.

In June 2017, Sri had taken a conscious call not to work on more than one project at a time. This led to downsizing as Sri had to let go of large number of people in the organization. Among others, he retained his trusted aide Gopu Narayanan (Gopu) and put him in charge of the only active project at that point at Himang Infrastructure.

Even with the deep downsizing, making timely and full payments to the staff was becoming tough with every passing month. Sri had begun to weigh all options to weather the storm. Should he lie low and wait for the downturn to end or should he scout for alternative revenue

Prof. Biswatosh Saha of the Indian Institute of Management Calcutta, Prof. Sankalp Pratap of the Indian Institute of Technology Jodhpur and Mr Nikhil Chandra Jha developed this case study as the basis for class discussion rather than to illustrate the effective or ineffective running of an organization.

streams? Or, if things kept getting worse, should he cut his losses for a business he had built from scratch?

On one of those pensive days in 2017, Sri had just concluded a meeting with his team, taking stock of the unsold inventory and the pressing issues at the lone project site. Gopu and the other team members had just stepped out of the premises for a cup of tea. Sri, sitting all by himself, was lost in quiet contemplation when his train of thought was interrupted by the incessant buzzing of Gopu's cellphone that he had left behind. At first, Sri ignored it, but it kept ringing. Wondering if it was a query call from a prospective customer, Sri went on to answer it.

"Hello, I am calling regarding the sound that is emanating from the STP. Can you send someone to look into it?" said a lady, in an urgent manner, from the other side. Sri told her she had got the wrong number and disconnected the line. Himang's operations had nothing to do with sewage treatment plants (STPs).¹ Even before Sri could get back to his seat, Gopu's phone rang again. It was the same number and as soon as he picked it up, the lady queried: "Am I speaking with Gopu from Himang Infra? I am calling regarding the STP that you have installed at our apartment."

Sri was caught completely off guard as he was unaware of any STP sets that were installed by his team. On further discussion with the lady, Sri discovered that Gopu had set up an STP at a recent housing apartment that Himang had delivered to customers. Sri was shocked and angry. Here he was trying his best to keep the company afloat and Gopu, one of his most trusted colleagues, appeared to be employing his energies elsewhere !

¹How STP works: Youtube – How STP works: <https://youtu.be/XpTI40jYPH8>