

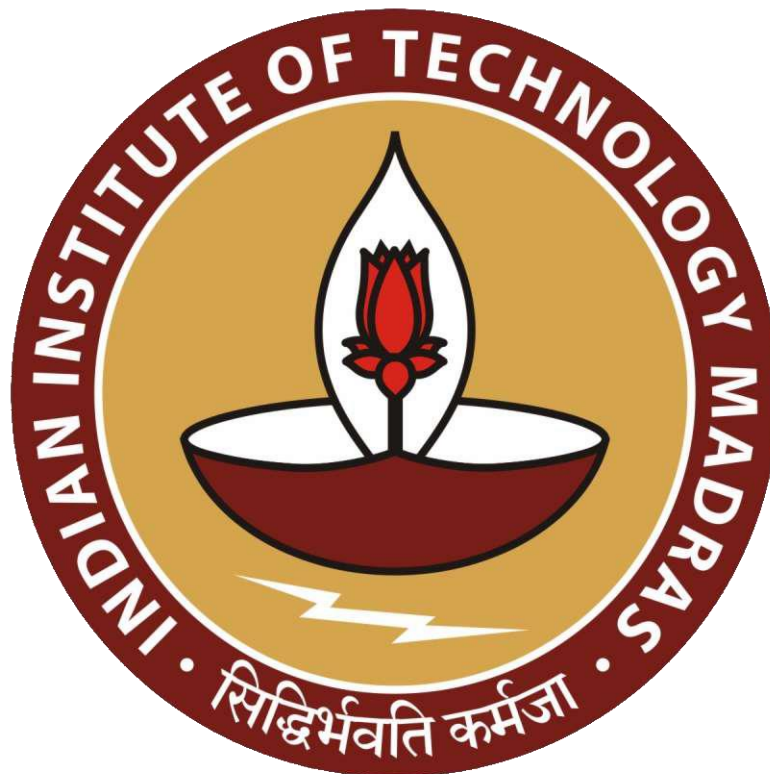
Analyzing Growth Strategies for Agricultural Supply Store

A Proposal report for the BDM capstone Project

Submitted by

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Contents

Declaration Statement	2
1 Executive Summary:	3
2 Organization Background:	3
3 Problem Statements:	4
4 Background of the Problem:	4
5 Problem Solving Approach:	5
6 Expected Timeline:	6
8. Expected Outcome:.....	6

Declaration Statement

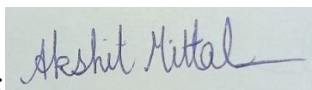
I am working on a Project titled “Analyzing Growth Strategies for Agricultural Supply Store”. I extend my appreciation to Jain Seed Store, for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered through primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures. I am dedicated to adhering to the information of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report. I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I agree that all the recommendations are business-specific and limited to this project exclusively, and cannot be utilized for any other purpose with an IIT Madras tag. I understand that IIT Madras does not endorse this.

Signature of Candidate:



Name: Akshit Mittal

Date: December 25, 2024

1 Executive Summary:

Jain Seed Store is a family-owned agrochemical retail shop in Dera Bassi, managed by Mr. Pankaj Jain. Starting as a small shop serving local farmers, it has grown into a trusted source for seeds, fertilizers, and crop protection products in the region. The business operates on a B2C model, offering seeds, fertilizers, insecticides, fungicides, and other agrochemical products to farmers.

The store faces challenges typical of traditional family-run businesses. Customers predominantly prefer the ‘udhari’ (credit) system and cash payments, resisting digital payment methods due to trust issues. Limited manpower—just one worker—causes delays and inefficiencies, particularly during peak farming seasons. The cluttered store layout makes it difficult for customers to locate products, while seasonal demand fluctuations lead to either overstocking or stockouts. Additionally, the business relies heavily on word-of-mouth marketing, which limits its reach, and irregular credit repayments further strain cash flow.

To address these issues, we will analyze daily operations and customer needs. The plan includes optimizing inventory levels based on past sales data and reorganizing the store layout for easier product access. Additional workers will be hired during busy periods. Marketing efforts will be enhanced through WhatsApp updates for regular customers and product pamphlets in the local language. These changes aim to reduce excess inventory, improve cash flow, and enhance customer satisfaction, ensuring sustained profitability while maintaining strong relationships with farmers.

2 Organization Background:

Jain Seed Store, established in 1998 by the late Mr. Surinder Kumar Jain, is a family-owned agrochemical retail business located near the railway crossing on Issapur Road, Dera Bassi. Initially founded as a small shop to serve local farmers, the store has grown into a trusted provider of agricultural products, catering to small-scale and marginal farmers from neighboring villages. Following Mr. Surinder Kumar's passing in 2019, his son, Mr. Pankaj Jain, assumed full responsibility for the business. Operating on a B2C model, Jain Seed Store offers a wide range of products, including seeds, fertilizers, pesticides, insecticides, and fungicides, sourced from trusted suppliers. With only one employee, the store manages daily operations, prioritizing affordability and quality for its customers. The business is rooted in a single location and serves the local agricultural community. Jain Seed Store’s mission is to provide high-quality and cost-effective agrochemical products, to build customer trust and sustainable farming practices.

3 Problem Statements:

1. Overstocking of low-demand products and understocking of essential items, leading to financial losses and customer dissatisfaction.
2. Lack of digital payment options, making transactions inefficient and cash dependent.
3. Delayed repayment of credit by farmers, causing cash flow issues and limiting inventory restocking.
4. Insufficient manpower during peak seasons, resulting in long customer wait times and operational inefficiencies.
5. Cluttered store layout, making it difficult for customers to access products easily and hindering promotion of specific items.
6. Heavy reliance on seasonal sales, creating revenue fluctuations during off-peak periods.
7. Limited marketing efforts, restricting customer acquisition and retention beyond the existing base.

4 Background of the Problem:

1. **Stock Management Problems:** The store often keeps too much of slow-selling items while running out of popular ones. This locks up money in products that don't sell and loses sales when needed items are out of stock. The problem gets worse during busy farming times when farmers urgently need supplies.
2. **Credit System Issues:** The store's credit system (udhari) isn't well organized. Without proper records, many farmers delay payments or sometimes don't pay at all. This creates money problems, making it hard to buy new stock or pay daily expenses.
3. **Payment Method Challenges:** Most farmers prefer using cash because they trust it more. The store hasn't set up simple digital payment options, which makes transactions slower and keeps the business from modernizing.
4. **Staff Shortage:** Having just one worker causes problems, especially when it's busy. Long lines form, service gets slow, and customers become unhappy. This could make them shop elsewhere.
5. **Space Problems:** The small, messy store makes it hard for customers to find what they need. Good products often get hidden behind others, and the crowded space makes shopping difficult.
6. **Seasonal Business Issues:** Sales go up and down with farming seasons. During quiet periods, the store struggles with low income while still having old stock that won't sell until the next season.
7. **Poor Marketing:** The store only relies on customers telling others about it. Without basic marketing efforts, farmers don't know about new products or special offers, which limits business growth.

5 Problem Solving Approach:

Stock Management Problems:

Analyzing past sales data and categorizing products as fast-moving, slow-moving, or seasonal will help optimize inventory levels. The store can establish reorder points for high-demand items and periodically review unsold stock to prevent overstocking. Seasonal demand can be anticipated through data trends and direct communication with farmers. Reorganizing the store layout to highlight popular products and holding clearance events for slow-moving items will free up storage and improve cash flow.

Credit System Issues:

A systematic credit policy is necessary to address irregular payment issues. This includes maintaining digital records of credit transactions to track dues and sending timely payment reminders through SMS or WhatsApp. Offering small discounts for early or on-time payments will motivate customers to clear dues promptly. Clear terms and conditions for credit eligibility can be shared with customers to build transparency and reduce defaults.

Payment Method Challenges:

Encouraging digital payments requires trust-building and convenience. The store can introduce simple and familiar digital payment options like UPI and QR codes. Demonstrating their use during transactions can increase confidence. Customers who opt for digital payments can receive incentives, such as minor discounts or cashback offers. Combining cash and digital payment options ensures flexibility while gradually modernizing operations.

Staff Shortage:

Hiring temporary workers during peak farming seasons will ensure smoother operations and reduced waiting times. Cross-training existing staff to handle multiple tasks, such as inventory management and billing, will further improve efficiency. Placing self-service product within the store will empower customers to locate items independently, reducing dependency on staff during busy hours.

Space Problems:

Optimizing the store layout with vertical shelving and clearly organized categories will maximize available space. High-demand and visually appealing products can be placed at eye level to draw attention. A simple, laminated product catalog near the counter can guide customers, reducing confusion and improving shopping efficiency.

Seasonal Business Issues:

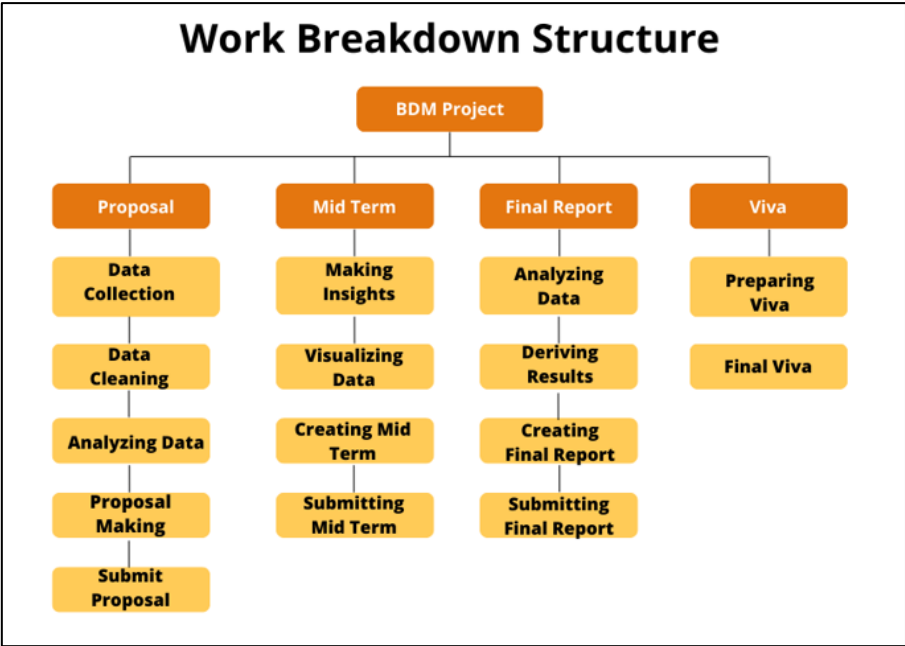
To manage income fluctuations, the store can diversify its product portfolio with off-season items like gardening supplies or household essentials. Subscription models for frequently purchased products will provide consistent revenue. Pre-booking for seasonal items with advance payments can also stabilize cash flow during lean periods.

Poor Marketing:

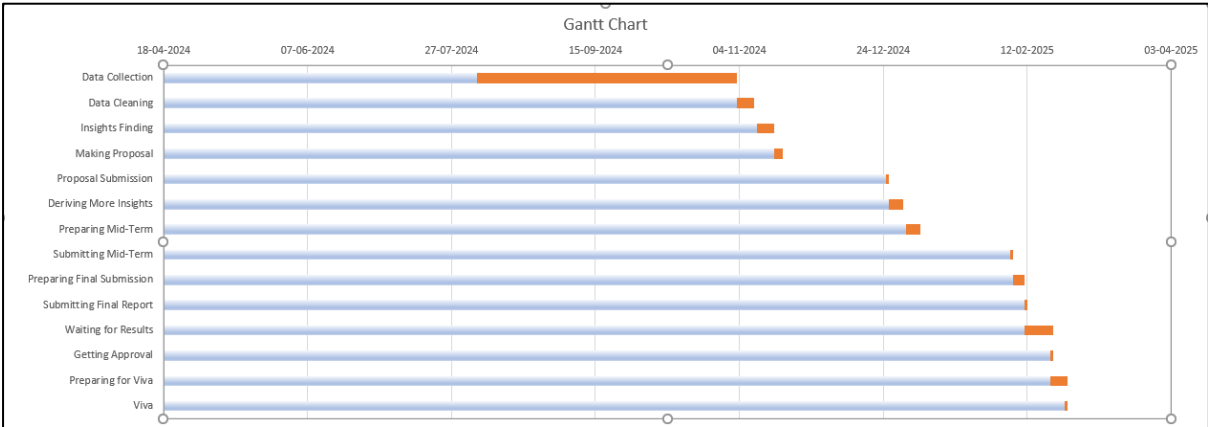
Marketing efforts can include low-cost strategies such as WhatsApp messages to regular customers, keeping them updated about new arrivals, fungicides and sprays. Pamphlets in the local language distributed in nearby villages can expand outreach. A referral program rewarding existing customers for bringing in new ones will strengthen word-of-mouth promotion.

6 Expected Timeline:

6.1 Work Breakdown Structure:



6.2 Gantt Chart:



8. Expected Outcome:

The proposed solutions are expected to enhance operational efficiency, optimize inventory management, and improve cash flow. By introducing digital payments, systematic credit policies, and better marketing strategies, the store can increase customer satisfaction, reduce seasonal income fluctuations, and strengthen its position as a trusted agrochemical retailer in the region.