**Case Study – A Design Thinking Approach**

1. A man has took a shop in Rent near BTM Layout, Bangalore, not in the main road but as a local shop. The rent of the shop is 14000 per month. The man took the shop to sell fast food like - Biryani, Maggie, Egg Bhujia, Omlets, Chicken Kabab etc.

a. In the first 3 months he make a profit of around 100000, with a sales of around 300000.

b. In the 1st month he was selling veg food also, but he stopped after the 2nd month as it stock was not getting out.

c. After 4 – 5 months down the line the man is making a huge loss in his investment. He has a due of 2 months to pay the rent.

d. The sale has drastically gone down and he is thinking to close the shop. e. The Man is very lazy in working hard and also very poor in any other investment. How will you tackle a situation of this kind? Write a solution to this kind of problem. Give a Fact-full answer by understanding the critical problems.

Tackling a situation like this involves a comprehensive approach that addresses both operational and strategic aspects of the business. Let's break down the key problems and provide potential solutions:

**1. Initial Success and Decline**

**Problem: The business started off well with profitable sales but later experienced a decline in performance.**

**Solution:**

**Initial Success:**

1. **Build on Novelty:** While the novelty factor might wear off, focus on maintaining uniqueness by regularly introducing limited-time specials or rotating menu items. This keeps customers curious and engaged.

2. **Consistent Marketing:** Sustain effective marketing efforts to keep the business visible. Use social media, local promotions, and partnerships to continuously attract new customers.

3. **Quality Assurance:** Maintain the high quality that contributed to the initial success. Regularly train staff to ensure consistent food preparation and exceptional customer service.

4. **Customer Relationship:** Build a loyal customer base by engaging with them directly. Consider loyalty programs, personalized offers, and responding to feedback.

5. **Expand Customer Base:** Identify adjacent target markets. For example, if the shop primarily catered to young adults initially, explore offerings that might appeal to families or working professionals.

**Subsequent Decline:**

1. **Market Research:** Conduct in-depth market research to understand changing customer preferences, lifestyle shifts, and trends. Adapt the menu and offerings accordingly.

2. **Competitor Analysis:** Study the competition to identify gaps in the market and areas where your business can stand out. It could involve exploring unique ingredients, cooking techniques, or presentation.

3. **Menu Revamp:** Overhaul the menu to refresh its appeal. Retain popular items, replace underperforming ones, and introduce exciting new options.

4. **Operational Efficiency:** Streamline operations to improve service speed and consistency. Efficient processes can enhance customer satisfaction.

5. **Customer Engagement:** Create interactive experiences, such as food tastings, chef interactions, or events. Engaging customers beyond their meals can foster loyalty.

6. **Innovation:** Continuously introduce seasonal or limited-time offerings. Highlighting innovative dishes can attract curious customers.

7. **Collaborations:** Collaborate with local suppliers, artists, or influencers to create special events or exclusive offers that generate buzz.

8. **Marketing Reviva**l: Revamp the marketing strategy. Leverage social media, online platforms, and offline promotions to reach both existing and new customers.

9. **Feedback Implementation:** Act on customer feedback promptly. This not only shows responsiveness but also helps in improving the overall experience.

10. **Financial Review:** Reassess expenses and revenue sources. Identify areas where costs can be optimized while maintaining quality.

11. **Staff Training:** Provide training to staff to ensure consistent service quality and a positive customer experience.

12. **Renegotiate Rent:** If possible, renegotiate rent terms with the landlord to relieve immediate financial pressure.

By addressing these solutions, the business can potentially overcome the challenges and work towards regaining its profitability and customer base. Flexibility, adaptability, and responsiveness to changing market dynamics will be crucial in ensuring sustained success.

**2. Selling Vegetarian Food:**

**Problem: The decision to sell vegetarian food in the first month didn't yield successful results.**

**Solution:**

To address the challenge of the decision to sell vegetarian food not yielding successful results, here are some potential solutions:

1. **Menu Analysis:**

- Conduct a detailed analysis of the vegetarian items that were offered in the first month.

- Identify which specific items didn't sell well and why. Is it related to taste, presentation, pricing, or other factors?

- Compare customer feedback on vegetarian items versus non-vegetarian items to identify differences.

2. **Customer Feedback:**

- Collect direct feedback from customers who tried the vegetarian options.

- Understand the reasons behind their choices and whether there were any concerns or dislikes about the vegetarian offerings.

3. **Market Research:**

- Research the local demographic to understand the demand for vegetarian food in the area.

- Identify any cultural, dietary, or lifestyle preferences that could influence the success of vegetarian options.

4. **Revised Menu Planning:**

- Based on feedback and market research, revise the vegetarian menu items.

- Consider introducing new vegetarian items that are in line with local preferences and have a broader appeal.

5. **Highlight Specialties:**

- If there are specific vegetarian dishes that are unique or popular, highlight them as signature items.

- Create visually appealing descriptions for these items to entice customers.

6. **Pricing Strategy:**

- Evaluate the pricing of vegetarian items. They should be competitively priced compared to similar items in the area.

- Consider offering combo deals that include both vegetarian and non-vegetarian options.

7. **Sampling and Feedback:**

- Offer samples of vegetarian items to customers, encouraging them to try before committing to a full order.

- Collect feedback from customers who try these samples to understand their impressions.

**3. Accumulating Losses and Rent Due:**

**Problem: Accumulating losses and upcoming rent dues are critical financial challenges.**

**Solution:**

Addressing the challenge of accumulating losses and upcoming rent dues requires a focused financial strategy. Here are five potential solutions:

1. **Financial Assessment:**

- Conduct a thorough financial analysis to understand the root causes of the losses. Identify specific areas where expenses are exceeding revenue.

- Categorize expenses and prioritize those that can be trimmed without compromising quality or customer experience.

2. **Expense Reduction:**

- Identify non-essential expenses that can be cut down or temporarily suspended until the financial situation improves.

- Negotiate with suppliers for better terms, discounts, or deferred payments to lower costs.

3. **Menu Profitability Analysis:**

- Analyze the profitability of each menu item to identify which items contribute the most to revenue and profit.

- Consider discontinuing items that have a low contribution margin or are unpopular with customers.

4**. Renegotiate Rent Terms:**

- Engage in a discussion with the landlord to explore the possibility of renegotiating the rent terms, such as a temporary reduction or a payment plan.

- Highlight the shop's potential, past profitability, and efforts to improve the situation.

**5. Revenue Generation:**

- Introduce creative revenue-generating ideas, such as loyalty programs, special events, catering services, or limited-time promotions.

- Explore partnerships with nearby businesses for cross-promotions or joint marketing initiatives.

6. **Debt Management:**

- If the business has taken on loans or credit, evaluate the interest rates and payment schedules. Consider refinancing or consolidating loans to reduce monthly payments.

7. **Cash Flow Forecasting:**

- Develop a detailed cash flow forecast to predict future income and expenses. This can help in planning for upcoming rent dues and allocating funds accordingly.

8. **Emergency Fund:**

- Establish an emergency fund to cover unforeseen expenses and buffer against financial challenges. Regularly contribute to this fund when the business is doing well.

9. **Financial Consulting:**

- Seek advice from a financial consultant or business advisor. They can provide an objective assessment of the financial situation and suggest strategies for recovery.

10. **Marketing Boost:**

- Invest in targeted marketing efforts to increase footfall and sales. Consider leveraging social media, online advertising, and local promotions.

11. **Customer Engagement:**

- Engage with customers more actively through surveys, feedback sessions, and loyalty programs to improve their loyalty and encourage repeat business.

12. **Diversification of Income Streams:**

- Explore additional income streams, such as offering meal kits, delivery services, or selling branded merchandise related to the business.

**4. Improving Operational Efficiency:**

**Problem: The owner is described as "lazy" and inefficient in working hard.**

**Solution:**

Improving operational efficiency despite the owner's perceived lack of motivation requires implementing processes and strategies that streamline the business. Here are five potential solutions:

**1. Standardized Processes:**

- Develop clear and standardized operating procedures for various aspects of the business, including food preparation, customer service, inventory management, and cleaning.

- Create step-by-step guides that employees can follow, reducing the need for constant oversight.

**2. Task Delegation:**

- Delegate tasks among employees based on their strengths and skills. Assign tasks that align with each employee's expertise to ensure optimal performance.

**3. Performance Metrics:**

- Set key performance indicators (KPIs) for different roles and responsibilities within the business.

- Regularly track and review employees' performance against these metrics to encourage accountability and improvement.

**4. Automation and Technology:**

- Introduce technology solutions like point-of-sale systems, inventory management software, and order tracking systems.

- Automation can reduce manual work and errors, enabling the owner and staff to focus on higher-value tasks.

**5. Employee Empowerment:**

- Encourage employees to take ownership of their roles and contribute innovative ideas for process improvement.

- Empower them to make decisions within their scope of responsibility, relieving the owner from micromanagement.