

Optimizing Operations and Driving Growth

A Proposal report for the BDM capstone Project

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Contents

1	Executive Summary and Title (200 Words)	2
2	Organization Background (150 Words)	2
3	Problem Statement (Listed as objectives) (50-75 Words)	3
3.1	Problem statement 1: Explanation in 1-2 lines	3
3.2	Problem statement 2: Explanation in 1-2 lines	3
3.3	Problem statement 2: Explanation in 1-2 lines	3
4	Background of the Problem (200 Words)	3
5	Problem Solving Approach (400 Words)	3
6	Expected Timeline	4
7	Expected Outcome	5

Executive Summary

This project focuses on Premium Supermart, a small supermarket located in Sai Anurag colony of Hyderabad. The business operates in the B2C segment, offering a wide range of everyday products including dairy, vegetables, apparel and essentials to local customers.

They have started this supermart just 6 months ago. I'm fascinated by the enthusiasm of the owner and his ideas and strategies for tackling business problems. Living in the same colony for 5+ years, I feel they have entered the market really well by choosing a strategic location which is near a campus hostel and a badminton academy, which gives them a steady flow of students and players as customers.

So here I'm to dive deep into their business, understand the problems and solve them with the insights and knowledge I've got from the BDM course. My major focus would be analyzing the business data of the supermart over the coming weeks and coming up with strategies to optimize inventory and boost the margins of the business.

Organization Background

The organization I am working with is Premium Supermart, a privately-owned grocery shop located in Sai Anurag Colony. The supermart was established recently, opening its doors to customers five months ago. Although it is relatively new in the market, it has quickly gained popularity among local residents due to its convenient location and a wide range of products. Premium Supermart is owned and managed by Mr. Abhinav Das, an experienced entrepreneur who already owns a dry-fruit business before starting this mart. His vision is to provide customers with a one-stop shopping experience, offering high-quality products at competitive prices. The supermart aims to cater to the diverse needs of the local community by offering a variety of groceries, household essentials, dairy products, snacks, beverages, and more. While the supermart is still in its early stages of operation, it has already established a loyal customer base and is steadily growing its presence in the local market. The

owners are committed to continuous improvement and are actively seeking ways to enhance the shopping experience for their customers. They value customer satisfaction and strive to maintain a friendly and welcoming environment within the supermart.

Objectives:

- Perform SWOT analysis of the business.
- Analyze the company's total revenue, expenditure and other financial ratios, to suggest which products can maximize its revenue.
- Improvise the marketing and sales strategies to increase customer reach .
- Perform a general analysis from sales data in order to find out average inventory days.
- Offering a solution to optimize the inventory management to eliminate stockouts

Background of the Problem

The background of the problem at Premium Supermart consists of a range of internal and external factors that have contributed to the challenges faced by the business.

Internally, the supermart is currently in an expansion phase, which poses certain limitations and difficulties. As a relatively new establishment, Premium Supermart has not yet fully computerized its operations, resulting in manual record-keeping and inventory management. This manual process can be time-consuming, prone to errors, and hinder efficient stock management.

Externally, the emergence of online delivery systems offered by other companies like JioMart and Zepto has affected the number of customers visiting the supermart. The convenience of online shopping and home delivery options has led to a decline in footfall at physical stores like Premium Supermart. Moreover, the presence of a well-established competitor nearby, Bhagavati Mart, which has been operating in the area for several years, magnifies the competitive landscape and poses challenges for the supermart's market position.

Problem Solving Approach

Details about the methods used with justification:

The first and foremost method of my problem solving approach is to get a clear context of multiple existing problems and prioritize one after the other based on dependencies.

Identifying the root cause of the problem with the help of data collected and with the help of direct conversations with the owner of the supermart.

The sales data is currently stored in books, we need to enter the data into a spreadsheet. After that, the data has to be organized based on the category of each product being sold. Later on, the data will be analyzed using Microsoft Excel charts and graphs.

Having computerized data will give us valuable insights and can enable us to come up with solutions much more efficiently and effectively.

Details about the intended data collection with justification:

I have met the owner of the supermart personally to give them an idea about my project and requested their daily sales and expense data, starting from 15th March 2023. The data will be collected post the approval of the project proposal. The data is promised to be kept confidential.

Since Premium supermart has not computerized the sales data yet, it relies on registrars to keep track of sales. Hence, we must input these data into spreadsheets. Before collecting the data, I would choose relevant parameters for the study, which helps in sourcing the data efficiently and avoids unwanted data.

We will seek permission to get the data of sales for 3-4 months to analyze the business situation and work on the solutions.

Details about the analysis tools with justification:

The primary tools used for the data analysis are Microsoft Excel and Google Sheets. Data cleaning will be performed and each column will be well defined.

Excel and Google sheets can be used to graph trends, make pivot tables and analyze the data according to our needs.

Pivot tables will be used to maintain the counts of items sold over a period of 3-4 months which enables filtering according to our objectives and enables multiple visual options. Sales analysis can be conducted using scatter charts, trend analysis to study the patterns of sales.

These tables and graphs will make our work much easier and productive .

Expected Timeline

Submission of proposal : 05/07/2023

Collection of data : 06/07/2023 - 07/07/2023

Mid-term submission of the project : 10/07/2023

Analysis and interpretation : 07/07/2023 - 13/07/2023

Final submission of the project : 15/07/2023

Expected Outcome

- Better inventory planning and better understanding of which products are more sold.
- Higher gross margins .
- Increasing customer footfall and satisfaction with optimized inventory management according to customers demand.
- Enhancing competitiveness and ensuring long term sustainability