



# STRATEGIC PLANNING

Timely planning is an important part of a quality business. The strategic planning is always guided by VVF's vision and Mission thereby excelling in all fields. The benefits are many fold i.e. only required working capital is used and obtain maximum benefits, timely receipt of raw materials, max energy saving reducing repeated production of same products in various intervals and over all the best customer satisfaction.

The total strategic planning is divided into various processes as explained below :

## **2.1 STRATEGIC PLANNING PROCESS**

2.1(1) The Annual Business plan (ABP) process starts almost 2 months before the financial year end.

The previous year's targets, (quarterly-wise/customer-wise) and the results there on are used as a minimum benchmark. Based on the industry trend, market growth, and customer needs, the Annual Business Plan will be finalised.

2.1(2) Before finalising the Annual Business plan, the Marketing & Sales Department discuss in detail and prepares their target – both customer wise and region wise.

2.1(3) Budgets for each and every expenses are finalised after discussing with the respective departments. Each and every departments and process are considered in the Budgets preparation to ensure that all expenses are accounted.

2.1(4) VVF's Annual Business plan is further narrowed to different Business units and these are again narrowed to marketing/Sales departments by way of Department/individual KRAs.

2.1(5) After the Annual Business Plan is finalised, the same is further narrowed down to month-wise which would enable easy tracking of the monthly plan. The monthly plan i.e. called Sales & Operation Planning and is conducted every month.

In this process, following important points are taken into consideration :

1. The Sales and operation Meeting date is scheduled by 23-25<sup>th</sup> of every month.
2. The total orders in hand is taken out.
3. The stock of finished.
4. Discussions with , Strategic Oil Buying, Business Head, Marketing Managers for the market trends, customer requirements.
5. Discussion with Finance Department for the Cash flow requirement.

The above information are required to arrive at the right quantity of finished goods to be produced at the right time.



#### 2.1.(7)

The key participants for the strategic planning are :

Demand and Production planner

Finance Department – to discuss with the cash flow requirement

Production Department – to discuss with the plant production capacities for different products with the present market requirement.

Marketing Team – To discuss and arrive the quantities to be:

- (a) Required for the coming month
- (b) Required for the 2<sup>nd</sup> and 3<sup>rd</sup> month
- (c) Orders anticipated during the coming month
- (d) Orders anticipated during the 2<sup>nd</sup> and 3<sup>rd</sup> month

The Demand and Production planner meets by the 3<sup>rd</sup> week of every month to discuss and finalise the S&OP meeting. The team goes through the total orders in hand, the orders to be executed during the coming month and also the orders to be executed in the 2<sup>nd</sup> and 3<sup>rd</sup> month. Orders anticipated are also discussed and finalised.

#### 2.1.(8)

The Demand and Production planner also take stock of the finished goods in hand which will be helpful in arriving the right quantity of product to be manufactured.

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#### 2.1.(9)

The Demand and Production planner does in depth analysis of the present market condition and opportunities for growth, different product that can be launched based on the customer requirements.

#### 2.1.(10)

During this process, the Demand and Production discuss about the short term and long term business opportunities which help the Oleo Market in a big way and compete with other manufacturers.

## **2.2 STRATEGIC CONSIDERATIONS**

2.2(a) The Demand and Production Planner considers the operations results and metric of the last year along with the sales figures which will help them to understand the variance.

2.2(b) The marketing Team brings in the competitor profiles and comparisons of competitors and in depth discussions take place. This also includes the Market information and also the customer



specific/additional requirements which will help the company to produce the right product and market and have an edge over the competitors.

The Demand/Sales Planners alongwith Production department also discuss various options to bring in production efficiencies , innovations, reduction in the inventory etc.

Since VVF is in the Ole chemicals field for more than 4 decades, the company is very rich in technical expertise and can maximise the production with the right quality.

2.2© The Team comprising, Demand and Sales Planning, Production, Oleo Market team, Strategic Oil Buying Team, Finance , Customer Service and Logistics Team will have brain storming discussions on the following action oriented points :

- 1) Review of part performance of the Company during the same quarter of last year
- 2) Oil Buying team reveals the market condition for the raw material prices and availability.
- 3) Customer requirement are taken into consideration
- 4) Market condition is discussed at length before the production programme is finalised
- 5) Reduce inventory
- 6) Reduce maximum changeovers to increase production
- 7) Product and service comparisons with competitors
- 8) Bringing maximum process efficiencies
- 9) Bridge the gap between demand and supply to achieve maximum customer satisfaction level
- 10) The working capital requirement for the next production cycle
- 11) Raw material connectivity for the production cycle

The above points are discussed in detail based on which the final Sales & Operation Meeting is schedules for the date finalised.

## **2.3 STRATEGIC OBJECTIVE**

2.31 The Company's objective is to increase the turnover by way of increased sales and also meeting customer requirements.

Its is important to ensure that customer's requirements are met and customer satisfaction graph is on the high.

Company also ensures that all statutory requirements are complied and towards this each and every departments are required to submit a monthly declaration to the management confirming that all the statutory requirements are complied with.



## **2.4 STRATEGIC IMPLIMENTATION**

### **2.4.(1)**

During the Sales & Operation Meeting, all the points are discussed at length and based on the final quantities to be produced with the availability dates are finalised. Customer's timely requirements are taken into consideration before finalising the production dates.

### **2.4(2)**

As soon as the Sales and Operation Meeting is concluded, the Customer Care, Logistics and Domestic Logistics alongwith Demand planner finalises the Schedules of despatches – both Domestic and Export. The Export schedules are documented and the Domestic schedules are planned based on the customer's schedule to be received for the month. However, the quantity required for the domestic despatches are earmarked and reserved to ensure that the customer's schedules are met.

### **2.4(3)**

Since many of the customers – both domestic and international – source the product through global tender, the required quantity for the month is reserved to ensure timely despatch/shipment.

### **2.4(4)**

The despatch schedules are further checked/scrutinised every week to ensure that the despatch schedule planned are successfully implemented.

## **3.1 PERFORMANCE MEASURES**

### **3.1(1)**

During the first week of every month, the previous month sales are analysed in detail to understand and take proper steps to rectify in case of any shortcoming .

Similarly, after every quarter, the total sales – region wise and customerwise – are discussed in detail with Business Head and Marketing Managers to understand the gap if any so that the same can be given more attention to avoid recurrence.

For analysing the customer satisfaction, customer feedback forms are sent to all Customers calling for their feedback. In case of any negative remarks from customer, the same is being discussed in



detail with connected departments for a proper solution. The customer is kept informed of the correction action.

3.1(2) The Marketing managers also interact with the Customers on a regular basis by :

- (1) Discussing with them on regular intervals to understand customer's needs
- (2) Attend conferences like POC, various customer meets in Mumbai etc.
- (3) During the VVF's plant visit by the customers for plant audit.

The production and quality assurance team take utmost care in ensuring that the right quality of products are produced and delivered to the customers thereby maintaining a very healthy relationship with the customers.

Since VVF is in the Oleo Business for more than 4 decades, the company has the full technical expertise to manufacture the oleo chemicals to meet customer's special requirements. Moreover,

As part of quality upgradation process and also to meet Customer's special requirements, the company is already complying with various quality standards like :

- (1) Kosher
- (2) Halal
- (3) HACCP
- (4) FASSAI
- (5) ISO
- (6) GMP+ etc.etc.

Moreover, as the slogan says, it's purely an Indian company but spread the wings all over the world by supplying the quality product and earning customers satisfaction which directly proves the result of a proper strategic planning and effective implementation of the same.

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