

# **Analysis on Om Prakash and Sons Store**

**A Proposal report for the BDM capstone Project**

**Submitted by:**

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### **Declaration Statement**

I am working on a Project Title ".....Analysis on Om Prakash and Sons Store.....". I extend my appreciation to **[Name of Business/Company]**, 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: **(Digital Signature)**

Name: Mehul Sharma

Date: 05-02-2024

## **Executive Summary and Title**

### **Analysis of Om Prakash and Sons Kirana Store**

The store from which I have collected the data is a medium sized kirana store, located in Ramesh Nagar, Delhi

The primary reasons for me to select the data from here are:

- The store owner is known as a result it is feasible for me to collect the data
- The owner is educated therefore he understood my proposal
- My parents were regular customer of that store
- He maintained books for accounting, so it made my work a bit easy

For data collection, I have personally went to the store and collected the data from the store owner by using:

- Store record books
- Previous issued bills

**The Problems** that the store faces is in its inventory, net profit margin, difficulty in choosing the right product assortment, high cost of labour and some more that will be analysed by the data.

**The Expected outcome** for the same is how to manage the inventory, how to choose the right product assortments by analysing the sales and getting to know the customer preferences in order to maximise their net profit.

The data which I have collected is for the following items:

- Rice
- Wheat Flour
- Lobiya
- Red chilli
- Haldi
- Kaju
- Kishmish
- Almonds
- Pista
- Gur
- Walnuts
- Mustard oil
- Seeds
- Sugar
- Pulses
- Fortune Oil

## **Organisational Background**

Name: Om Prakash and Sons

Owner: Om Prakash Arora

Address: Shop Number- 3B/12, Near Post Office, Ramesh Nagar, Delhi, 110015

Om Prakash and Sons is a well known kirana shop in Ramesh Nagar, Delhi. People not only from Ramesh Nagar but also from different parts of Delhi take their monthly ration from here because of its quality and credit system.

They started their shop in 2010 and now earns an average of over a lakh monthly

After having a detailed conversation with the proprietor, I got to know that their business has been affected by the covid pandemic as because of that most people have started buying online ration rather than coming offline to the shop, and they are not at all interested to shift their business in an online way because of the high cuts of Zomato and Swiggy. As they have a good quantity of loyal customers because of their product quality and credit system, they don't worry about that too much.

## **Problem Statement (Listed as Objectives)**

After having constant interactions with the proprietor, I found that inspite of having a very strong customer relation, they face problems like:

- Inability to manage stock. They find it difficult to manage supply and demand while optimising inventory turnover.
- Difficulty in choosing the right product assortment
- The store finds it difficult to meet its projections in terms of net profit
- High cost of skilled labour is another problem. The new labour asks approximately for 20000 rupees while just a few months back, they used to give 13000 rupees to the old labour.

Hence problem statement comprises of the following statements:

- Analysing the store inventory using sales of items from their cost price, selling price, quantities bought and quantities sold.
- Identifying customer preferences so that the store can choose the right product assortment.
- Analysing the net profit of the store and steps to increase the same.
- Dealing with the labour in such a way so that the labour is also satisfied and the store also does not incur high costs.

## **Background of the Problem**

- After having a detailed conversation with the owner about the business, I have found that after the pandemic, as the whole world has shifted towards online platforms like Zomato and Swiggy for placing their orders, due to this they are not able to attract new customers, but this is also true that the old customers are same as before. Now the problem is old customers buy only a fixed line of products that are important for their ration, so as a result their new products fail and they are not able to expand their products.
- Due to experimentation of new products and introduction of online platforms, they have faced a lot of product damage and product wastage. I believe the primary reasons for the same are inadequate sales forecasting and mismanagement of inventories.

## **Problem Solving Approach**

### Details about the methods used with justification

As the store properly maintains all the record books in their computer, I have gathered and I will be making many conclusions from their monthly data of 2023. Along with the monthly data, I will also be using a bit of the store's yearly data.

I will be using scatter plots, trend lines, pie charts, histograms and many more tools to draw some fruitful conclusions.

To manage the inventory, I will also be using ratios that were taught to us in the course.

### Details about the intended data collection with justification

For the above discussed 16 products, I will be analysing them mainly on the basis of 4 variables namely:

- a) Cost Price
- b) Selling Price
- c) Quantities Bought
- d) Quantities Sold

My whole analysis in this project will be revolving around these 4 variables. From these variables, we will find almost everything from revenue to expenditure, from gross profit to net profit and what not. We will also find some important ratios like net profit ratio and many more that will be very important for drawing some fruitful insights.

I also have the data of capital invested, fixed assets, current assets etc. that will be needed for calculating the above ratios.

### Details about the analysis tools with justification

I will be using excel to process the data. Tools that will be used for the analysis are as follows:

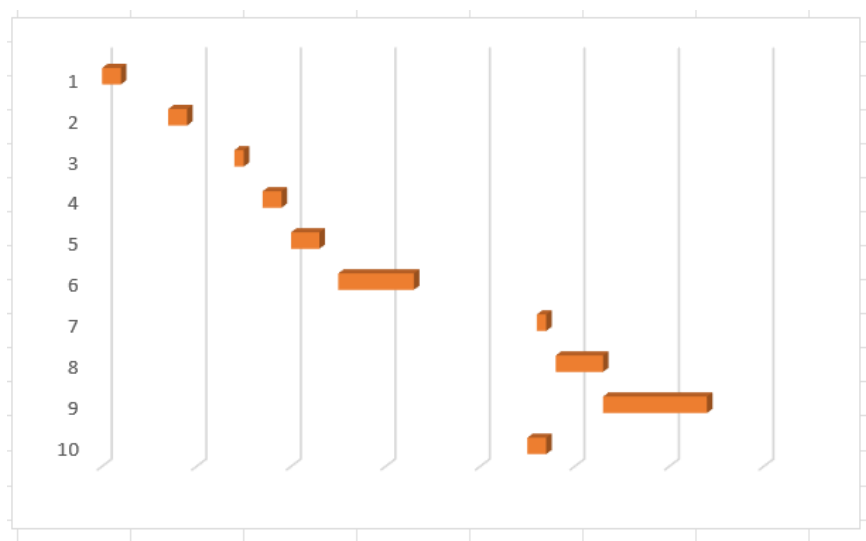
- ❖ Pivot tables for identifying various trends within the data.
- ❖ For data visualisation, we will be using pie charts, histograms, scatter plots, pivot charts etc.
- ❖ Various Excel functions like VLOOKUP, COUNTIF, COUNTIFS, Boolean operators etc.

## Expected Timeline

### Work breakdown structure

Business Data Management Project				
S.No.	Task	Start	End	
1	Collecting the Data	22-01-2024	24-01-2024	
2	Proposal Preparation	29-01-2024	31-01-2024	
3	Data Cleaning	05-02-2024	06-02-2024	
4	Data Analysis	08-02-2024	10-02-2024	
5	Finding insights	11-02-2024	13-02-2024	
6	Preparing mid-term submission	16-02-2024	24-02-2024	
7	Expect mid term approval	08-03-2024	09-03-2024	
8	Finding problem's solutions	10-03-2024	15-03-2024	
9	Preparing final submission	15-03-2024	25-03-2024	
10	Final approved	07-03-2024	09-03-2024	

### Gantt Chart



## **Expected Outcome**

- Finding ways to optimise the store's inventory.
- Better understanding on how to increase the net profit by analysing their sales.
- Finding which products have a high return percentage by analysing their cost price, selling price and many more things.
- Drawing conclusions by finding different ratios that will help the store to boost their business.