

# **BUSINESS DEVELOPMENT MANAGEMENT**

## **MID-TERM SUBMISSION**



### **TITLE**

**IMPROVING PROFITABILITY AND CUSTOMER SERVICE  
AT SHRI KRISHNA SWEETS & NAMKEEN THROUGH  
STAFF RETENTION, SALES STRATEGIES AND  
PROCUREMENT OPTIMIZATION**

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## EXECUTIVE SUMMARY

This report provides an analysis of various aspects of a food business, focusing on issues related to staff cost and retention, sales of snacks, and milk procurement. The **data was collected** through meetings with the owner and workers, as well as rough book records and WhatsApp group information. The findings aim to identify key problems and suggest potential solutions for the business.

Regarding **staff cost and retention**, the analysis reveals that finding skilled workers is challenging and comes with significant associated costs. The monthly cost data shows that there are 15 workers, including helpers and main chefs, with a total cost of ₹3,00,000. The average salary and additional cost per worker range from ₹16,000 to ₹34,000. To address the cost issue, it is **recommended** to consider hiring female workers or workers working on wages only for non-skilled tasks and invest in automatic machines to reduce the living cost component.

The sales data for snacks indicates that Mirchi Bada, Samosa, and Payaz Kachori are the top revenue-generating items, while Mogar Kachori has the highest average quantity sold. Mawa Kachori, on the other hand, has a lower average quantity sold, suggesting lower popularity. Exploring alternative selling options and online food delivery platforms could help mitigate competition from packaged snacks and increase sales.

In terms of milk procurement, the analysis shows that the average milk rate is ₹46.35, with a range of ₹20 (from ₹40 to ₹60). Exploring new suppliers from nearby villages while ensuring quality could be a potential solution to address the issue of high supplier rates.

**Tools used** are all in Excel and Google Sheets with Charts and Formulas.

**Time period** is different for all the data i.e., for Workers problem data taken for monthly salary and cost for snacks data taken for daily consumption and for milk problem data taken for a 5 months daily prices.

The report concludes with recommendations, including cost-saving measures for staff, diversification of product offerings, and exploring online platforms. Additionally, it suggests considering the procurement of milk from alternative suppliers from nearby village to potentially reduce costs.

# PROOF OF ORIGINALITY

## Shri Krishna Sweets and Namkeen

### No Objection Certificate

Date-

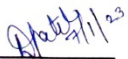
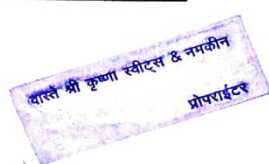
This is to certify that Mr Praveen Choudhary has taken the data from our organisation and this letter confirms that we have completely no objection to his using our data for his BDM capstone project.

This NOC has been issued as per the request of Praveen Choudhary and can be used by him for the specific purpose mentioned above.

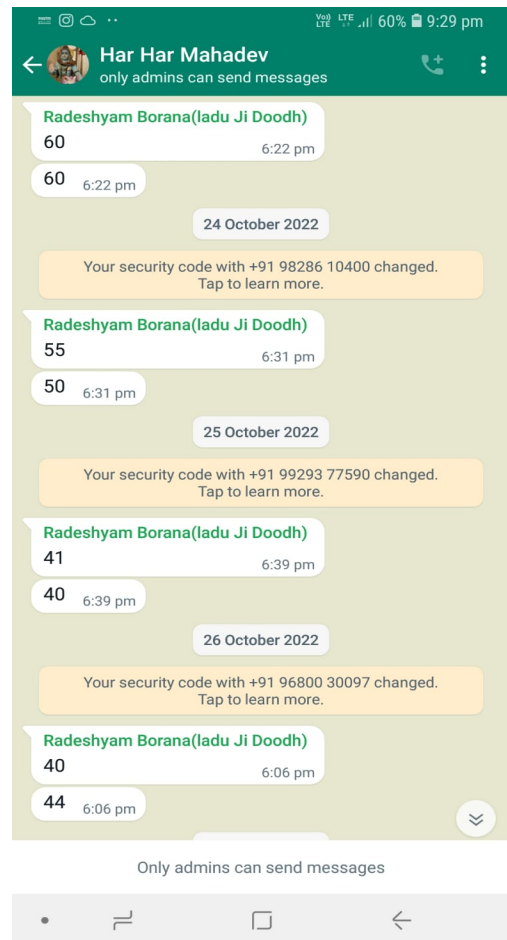
During his time with us, he has been a sincere individual and we wish him good luck.

Sincerely,

Mr Dinesh Patel

Picture 1: NOC letter from organisation.



Picture 2: Daily milk prices proof.

[Interaction Video Link](#)

## DATA COLLECTION

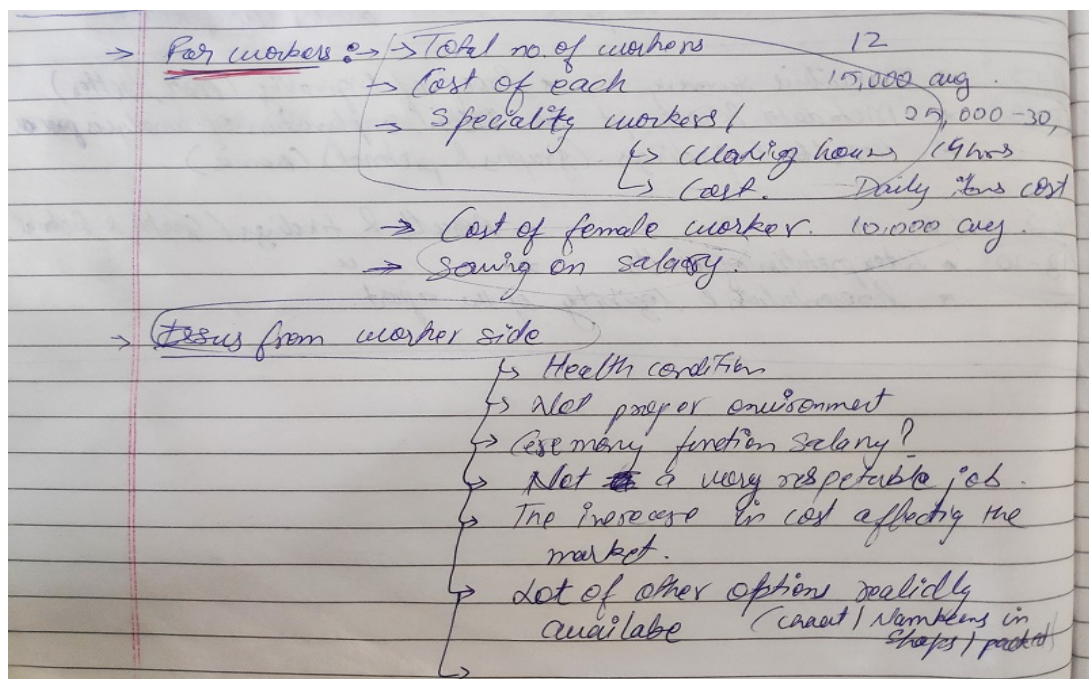
### RETENTION AND COST OF STAFF

The first problem is of finding skilled worker is big of a task. With the cost associated with it and the other helping staff.

1. **Helping Workers-** Help with basic work to provide items on the counter or help with basic kitchen stuff. And works around 8-10 hours. per day with no off days.
2. **Main Chefs (Halwai)-** Makes the most of products like - Sweets, Namkeens, Milk products and snacks. Works for 8-12 hours depending on the demand.

Type of workers	Numbers	Salary And additional Cost (₹4,00) per Worker
Helpers	12	₹16,000
Main Chefs (Halwais)	3	₹34,000
<b>Total</b>	<b>15</b>	<b>₹3,00,000</b> <b>(Including Bonus)</b>

Table 1: Monthly Cost data of all workers.



Picture 3: Rough data collected in notebook during the meeting with owner.

## **Metadata**

- Data in above table is collected for a time period of **monthly** cost for all the workers which including (Salary + Living cost). i.e., of September month.

Salary for Helper = ₹12,000

Salary for *Halwais* = ₹30,000

And the additional cost to all of them living in the shop for per month = approx. ₹4,000 per worker (Which include their food and basic amenities).

- And the data is given by the owner **verbally** as they don't maintain any salary slip book.

## **Descriptive Statistics**

1. Number of workers: 15
2. Total monthly cost: ₹3,00,000

Breakdown by worker type:

1. Helpers:
    - Number of helpers: 12
    - Salary and additional cost per worker: ₹16,000
    - Total monthly cost of helpers: ₹1,92,000
  2. Main Chefs (*Halwais*):
    - Number of main chefs: 3
    - Salary and additional cost per worker: ₹34,000
    - Total monthly cost of main chefs: ₹1,02,000
  3. Salary And additional Cost (₹4,00) per Worker:
    - a. Mean: ₹20,000
    - b. Median: ₹16,000
    - c. Minimum: ₹16,000
    - d. Maximum: ₹34,000
    - e. Standard Deviation: ₹8,544.21
- The standard deviation indicates the average amount of deviation or dispersion of the total sales values from the mean. In this case, it is ₹8,544.21, implying that the total sales figures vary significantly from the average.

## SALES OF SNACKS

Includes the sales data of snacks they produce for a single day and sold out-

Item	Selling Price	Avg. Quantity Sold	Total Sales
Mirchi Bada	₹18	350	₹6300
Samosa	₹18	325	₹5850
Payaz Kachori	₹18	250	₹4500
Mogar Kachori	₹10	400	₹4000
Mawa Kachori	₹33	100	₹3300
<b>Total</b>	-	1,425	<b>₹23,950</b>

Table 2: Sales data for snacks

Cost	Sales	Profit	Profit Margin
₹10,000 - ₹15,000	₹20,000 - ₹30,000	₹10,000 - ₹15,000	50% approx.

Table 3: Showing per day Snacks Cost and Profit

Handwritten notes:

- 8,000 - 10,000 / 18.20 / 9.00 8000
- Cost Profit Board
- Google map:- (showing area & competition)
- Sept:- 5000, 10-14
- Initial cost stock Days to sell
- 52% margin

	Price	Quanty	Online/week
→ P. Kachori	18	250	10 - pyppon
→ m. Kachori	33	100	10
→ Mirchi bada	18	325	10 ✓
→ Samosa	18	350	10
→ Mogar Kachori	10	400	10 - approx

Picture 4: Data collection of snacks.

### Metadata

- Data collected for a **single day** which is sold out by the end of the day.



- This data is also given verbally and noted into the rough book and uploaded into the table.
- Item: The name of the snack item being sold.
- Selling Price: The price at which each unit of the snack item is sold.
- Avg. Quantity Sold: The average quantity of the snack item sold per day.
- Total Sales: The total sales generated for each snack item, calculated by multiplying the selling price by the average quantity sold.

### **Descriptive Statistics-**

Total Sales:

1. The item with the highest total sales is the Mirchi Bada, which generated ₹6,300 in sales.
2. The item with the lowest total sales is the Mawa Kachori, which generated only ₹3,300 in sales.
3. Although the Mogar Kachori has the lowest selling price at ₹10, it still managed to generate ₹4,000 in total sales due to the high average quantity sold of 400.
4. The Mirchi Bada and Samosa have the same selling price and similar average quantity sold, but the Mirchi Bada generated more total sales. This could be due to factors such as customer preferences or marketing strategies.
5. The Payaz Kachori has a similar selling price and average quantity sold as the Mirchi Bada and Samosa but generated less total sales. This could indicate that it is less popular or there are other factors affecting its sales performance.



## MILK PROCURMENT

[Link for the data sheet](#)

In this problem the higher rates charged by the supplier is a problem.

### Metadata

- Data collected for **5 months** and **Tools** used are of Google Sheets Chart making avg. formula.
- Time period is from September 2022 to January 2023.
- It consists of date and rate set by supplier on that day.
- Taken from the WhatsApp group of owner.

### Descriptive Statistics

Rates:

- Mean: ₹46.35
  - On average, the milk rates are ₹46.35.
- Median: ₹46
  - The median represents the middle value of the milk rates. It suggests that 50% of the rates are below ₹46 and 50% are above.
- Minimum: ₹40
  - The minimum value of 40 indicates the lowest recorded milk rate. During the non-festive time.
- Maximum: ₹60
  - The maximum value of ₹60 represents the highest recorded milk rate. **Increased during the festive seasons.** Which effects the sales of sweets during festive season made from the milk.
- Standard Deviation: ₹5.79
  - The standard deviation indicates the average amount of deviation or dispersion of the milk rates from the mean. In this case, it is ₹5.79, implying that the milk rates vary moderately from the average.

## DETAILED EXPLANATION OF ANALYSIS PROCESS

### MEETING WITH OWNER

- To understand the business problems.
- Retention of "Skilled Workers" is a significant problem along with the monopoly of milk suppliers and the number of snack sales.
- Many products sold in open packets like namkeens, some sweets, and a few snacks are readily available in packages in supermarkets nowadays, which also drives the sales down.
- Competitions around the shop in the same category are also an affecting factor.
- An increase in the prices of raw materials is a driving factor in large.
- Other things that were discussed were –
  - Introducing a new category of products and showing a presence on any online food delivery platforms.
  - Expansion of the shop by opening new branches.

### MEETING WITH WORKERS

- Most of the workers live together in the backside of the shop and the cost of basic needs is covered by the shop owner which includes - Rent, food cost, the basic needs (Soap, toothpaste-like, etc). Which cost around ₹4000 per worker.
- Problems they mentioned –
  - Not happy with the salary (expect to have more than 30,000).
  - Working conditions are not so good (after working a few years near the hot oil pans, it affects the health conditions).
  - Long working hours are also an issue with no compensation for extra hours and not much adequate leave/holidays.
  - Get more money in a day in a ceremony back in the villages or a small function.

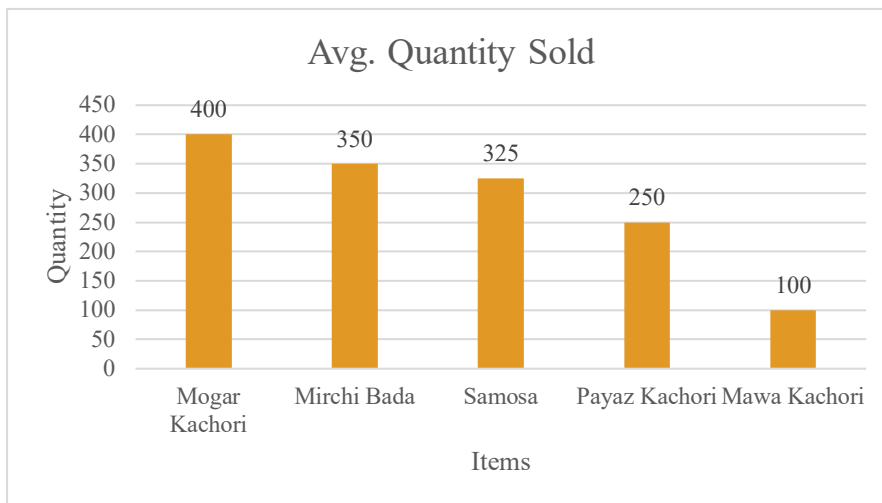
### Solution:

We can see from the data collected that total cost of **helpers have around 65% weightage in total**. So, we can try to cut some cost in the helpers by-

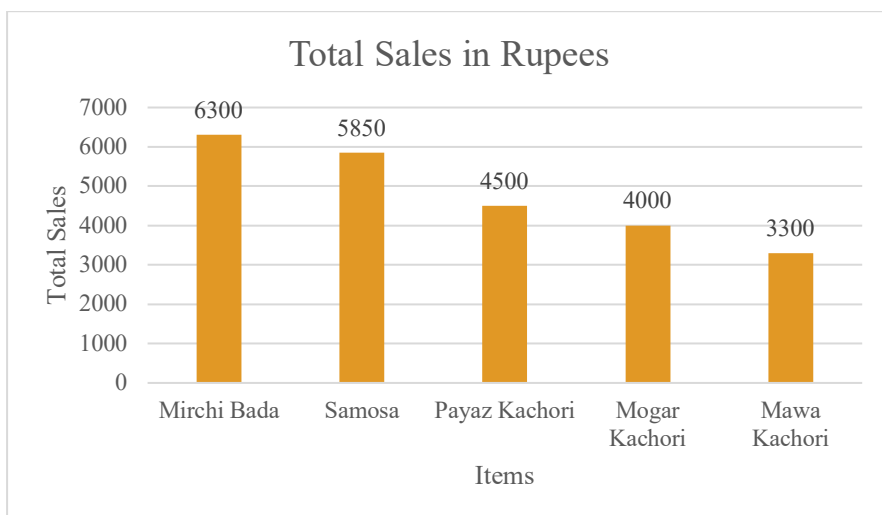
- Cost of worker is: ₹12,000 (Salary) + ₹4,000 (Living Cost) = ₹16,000

- **Hiring females** in place of male workers for basic work like- making dough, cutting fruits - vegetables, mixing, and non-skill work so that the living cost of **₹4,000 can be reduced**. And can also get **automatic machines** for same repetitive work of making dough, cutting, mixing purposes.
- And estimate suggests that hiring 4 females can save **upto ₹16,000** of living cost which is more than **5% of total cost**.

## RESULTS AND FINDINGS



**Graph 1: Avg. Quantity Sales of items.**

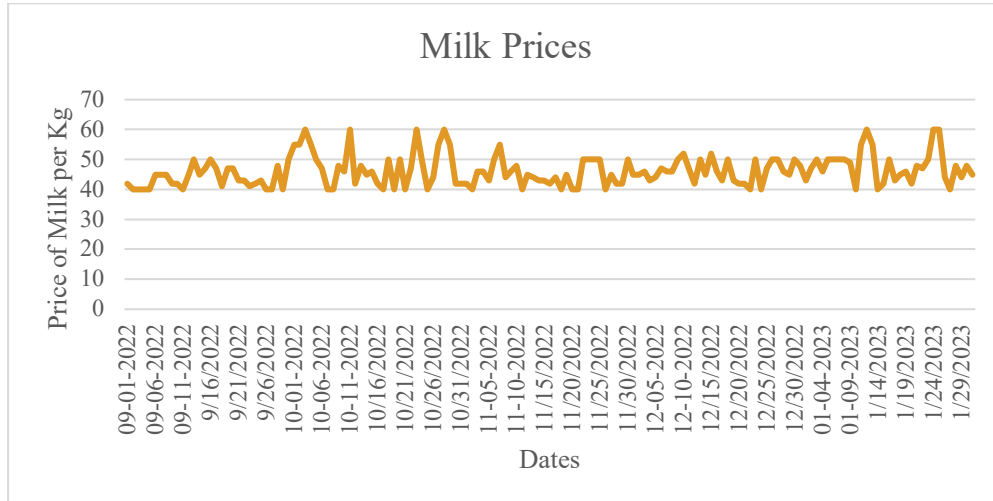


**Graph 2: Total Sales**

Key findings from the Graphs 1 & 2 made in [Google Sheets](#) and [Tables 2 & 3](#):

1. Mirchi Bada is the highest revenue-generating item with total sales of (₹6,300), followed by Samosa (₹5,850) and Payaz Kachori (₹4,500).

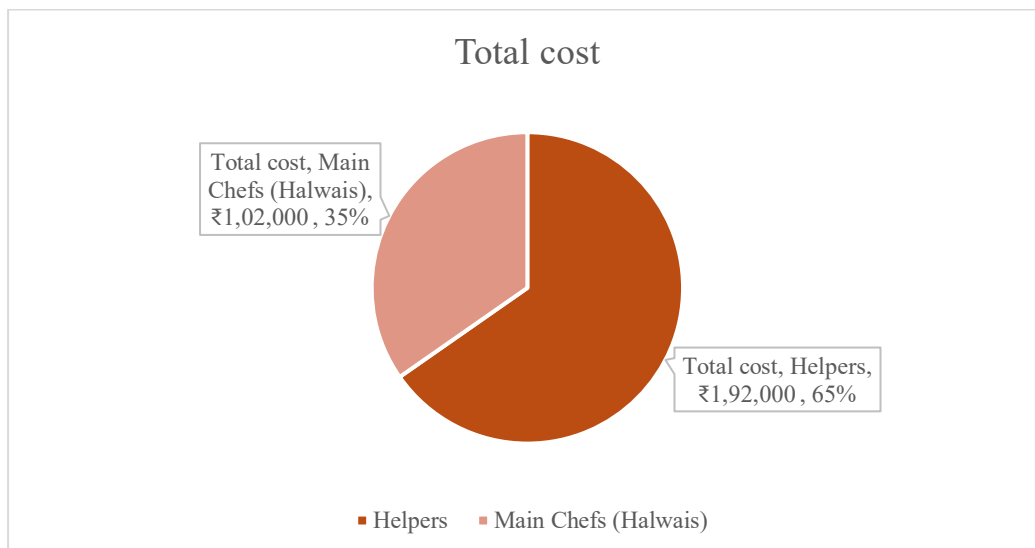
2. Mogar Kachori has the highest average quantity sold (400), indicating its popularity among customers as it's sold for (₹10). Mawa Kachori has the lowest average quantity sold (100), suggesting it may be less popular compared to other items.



Graph 3: Milk prices of 5 months data.

The milk price line chart drawn from [Google Sheets charts](#) shows:

- Range in between ₹40 - ₹60.
- Can compare it with new supplier from near by village with keeping quality in mind so that can be a **solution**.



Graph 4: Pie-Chart for comparison of worker's cost.

From this Graph 4 made in [Google Sheets](#) we can see that **Helpers have 65%** of cost in the workers so there is scope to cut cost in there, by earlier solution provided on [Page-9](#).