

BUSINESS DEVELOPMENT MANAGEMENT

PROJECT PROPOSAL



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

The proposal is for **Shri Krishna Sweets & Namkeen**, a sweet, namkeen, and dairy shop located in Jodhpur, Rajasthan. The shop has been in business for over 15 years and sells snacks, sweets, packed foods, and dairy products with approximately 100 daily SKUs. The shop also owns the land and two adjacent shops, providing additional passive income.

However, the business faces three major problems: the retention and cost of skilled staff, decreased sales of snacks, and the cost of procuring milk.

To address the problem of staff retention and cost, the proposal suggests collecting data on staff wages, analysing costs, and exploring the possibility of hiring females and automating certain tasks.

To increase sales, the proposal suggests bundling snacks with complementary items and selling cold drinks and ice cream. The data on sales and profit of goods can be collected and analysed using MS EXCEL over a period of 4-5 months.

The proposal also suggests exploring the possibility of purchasing a milk plant, which could reduce the cost of procuring milk and increase revenue by 3 lakhs per month. The proposal concludes that by addressing these issues, Shri Krishna Sweets & Namkeen can improve their profitability and better serve their customers.

ORGANIZATION BACKGROUND

The name of the shop is **Shri Krishna Sweets & Namkeen** which is more than 15 years old shop located in Rameshwar Nagar, Jodhpur (Rajasthan). It is a sweet, namkeen and dairy shop which makes and sells snacks, sweets, packed foods and dairy products with an approximately 100 SKUs on daily basis. They own the shop with the land and 2 adjacent shops on the same land, which give them passive income in form of rent.

Initially they started as a milk distribution to door to door then opened a self-owned shop back in 2003 to sell sweets made of milk which was procured from their own cows. Earlier the locality was not much developed and there were a lot of day workers and factory workers used to come because there is a "*Grain mandi*" where various parts of other cities or village farmers and merchants come to sell and buy grains and there are a lot of factories also around it. So, they started selling "*Kachori*", "*Samosa*", etc. to work as snacks for the workers as it is a speciality of Jodhpur, and a lot of people eat it in all weather conditions. And then slowly they sold their cows and started procuring milk from outside to this day.

Now the locality is much developed, and the shop is located on a busy main road which serves as a connection road to another areas. So, the customer base of them is from all those areas.

They have around 15 workers working daily both skilled workers i.e. (*Halwais*) and helpers for the shop and owner and his son also take care of accounting and managerial duties in the shop.



Picture 1- Photo of the Shop

PROBLEM STATEMENT

The business is facing 3 major problems listed as below-

1. Retention and cost of staffs (Halwai) is the main and most significant problem of the shop. As finding skilled worker is big of a task. With the cost associated with it and the other helping staff.
2. Decrease in the sales of snacks (Kachori, Samosa, etc.) as they feel consumption has gone down from quite some time like- the past few years.
3. Milk problem, as they now procure milk from outside in which the high prices are set by milk providers in the city is also a major problem.

BACKGROUND OF THE PROBLEM

1. Staff problem- As the owner states that everyone is facing this problem in this business at their level that *Halwais* do not permanently stay at a single place of work, and it is very hard to hire new people on monthly basis. The issues that are raised are as follows: -
 - a. They demand for a higher wage than Rs-25,000 which cannot be profitable for the business.
 - b. Fewer days at work, complaints about raw materials, feeling homesick (as their families are in villages), and prefer working for a day job for functions like – marriages or gatherings to earn more in a day.
 - c. And hiring anyone for the work affects with the tastes and quality of the foods so well trained and experienced people are in very much of a need.
2. Decrease in the sales- of the snacks and packing items in the shop, as the area and locality grew there was an increase in sales and competition around them. But they are very confident in their product quality, so they have a very good customer base but still they want to outperform their current sales number and grow as a good quality shop.

3. Higher milk prices- in the city (Jodhpur) is also a reason prices for goods and quality sweets are going higher.
- As they initially had cows of their own to get the milk for their sweets but slowly it got hard to keep cows in urban areas in the residential area.
 - The owner believes that if the milk problem gets solved, he can increase his revenue by 3 lakhs per month and it will benefit the consumers directly, as the prices will come down.

PROBLEM SOLVING APPROACH

1. For the workers-

Methods which can followed to solve the problem as follows-

- Can use the learnings of hiring employees for specific work and looking the matter from the workers side what they want.
- Data collection with cost analysis of wages of the number of required skilled workers and with the number of helpers.
- Can look into hiring females for this job and also look into getting automated machines for basic work like- mixing and cutting purposes.

Data collection and tool-

- Tools and duration- MS EXCEL and Google Sheets can be used for the cost analysis, with data collecting for a single month of data of wages given. So that can see where there is scope of cutting down the cost.

2. For the sales of snacks-

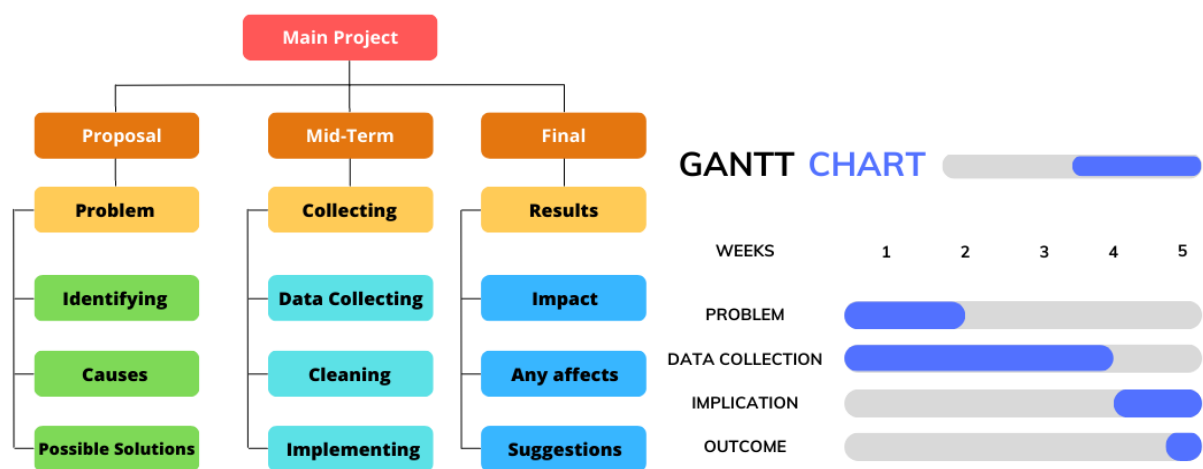
Methods which can followed to solve the problem as follows-

- I'll try to bundle it with a few things for example - right now when they sell kachori, they don't give chutney or bread with it if someone wants to eat it there only (not taking it home). So, adding a complementary thing can increase the utility for the customer.
- And also, they don't sell cold drinks or ice-creams in their store. For asking why - they said that they don't have much space for it they don't see much margin in it and it's a seasonal item that only gets sold in summers. So will ask to store these also.

Data collection and tool-

- a. Data collection is of tracking of sale and profit of goods with tool EXCEL and of duration of period of months (4-5 months). So that can compare and see if there is any change in revenue after the change in SKUs and change in product delivery with introduction of online delivery also.
3. For procurement of milk-
Methods which can followed to solve the problem as follows-
 - a. Analysis can be done on comparing the cost between old supplier and new supplier with the quality also.
 Data collection and tool-
 - a. Data period of months (4-5 months of data) so that then can compare it in EXCEL to see if there is any benefit in changing the supplier with keeping quality in check.

EXPECTED TIMELINE AND OUTCOME



Outcome-

1. The cost of workers and be reduced with increase in efficiency of the same.
2. Increase in sales and revenue from the online presence and delivering better utility for the foods.
3. And decrease in cost of milk procurement from different supplier.