

BUSINESS DEVELOPMENT MANAGEMENT

FINAL 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

The final report presents a comprehensive analysis and actionable insights into the operations of Shri Krishna Sweets & Namkeen. The report addresses three critical challenges: the retention and cost of staff, decreased sales of snacks, and the cost of milk procurement.

By strategically hiring female helpers, the business achieved a remarkable **6.25% reduction** in workers' costs.

Additionally, the expansion onto online platforms like Zomato led to a significant **1.46% increase** in daily sales, amplifying revenue streams.

The introduction of new products, including Red Bull with a 25% profit margin and ice creams, contributed an estimated **₹21,000 to the monthly profit**.

Optimizing milk procurement through diversified suppliers resulted in a **2.21% cost reduction**.

The report concludes with a total projected **increase in profit of ₹44,670**. Recommendations are outlined for sustained growth, including leveraging a diverse workforce, enhancing online presence, continued product innovation, fostering strong supplier relationships, data-driven decision-making, customer engagement, and sustainable practices.

These findings collectively provide a blueprint for Shri Krishna Sweets & Namkeen to enhance its financial health, operational efficiency, and market presence. The integration of data analysis and strategic implementation proves to be a pivotal asset for navigating the complexities of the modern business landscape.

DETAILED EXPLANATION OF ANALYSIS PROCESS

Following are the problems occurred in the business and tried to solve:

1. Retention and cost of staff
2. Sales of snacks
3. Milk procurement

Hiring Female Helpers:

Recognizing the need to optimize the labour costs, I initiated the idea of hiring female helpers instead of male workers. To implement this, I conducted research on the potential benefits of hiring females, such as reduced living costs and flexible working hours. Armed with this data, I presented the idea to the management, highlighting the potential cost savings and the positive impact on the work environment. My data-driven approach, emphasizing both cost efficiency and gender diversity, paved the way for the successful hiring of female helpers, resulting in a significant reduction in workers' cost.

The solution advised for reducing the staff cost was by replacing 2 or 4 of male helpers in the shop with female helpers. Because,

- Cost of male helper is: ₹12,000 (Salary) + ₹4,000 (Living Cost) = ₹16,000.
- And, 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**.
- So, owner hired 2 female helpers.
- And salary was also reduced to ₹10,000 as they don't have to start working very early and don't have stay longer.

Expanding Presence on Zomato:

Understanding the significance of the online marketplace, I proposed expanding presence on platforms like Zomato. By presenting the potential advantages, such as increased visibility and broader customer reach, I convinced the shop owners to take the plunge. My guidance resulted in the successful establishment of presence on Zomato, opening up a new avenue for sales.

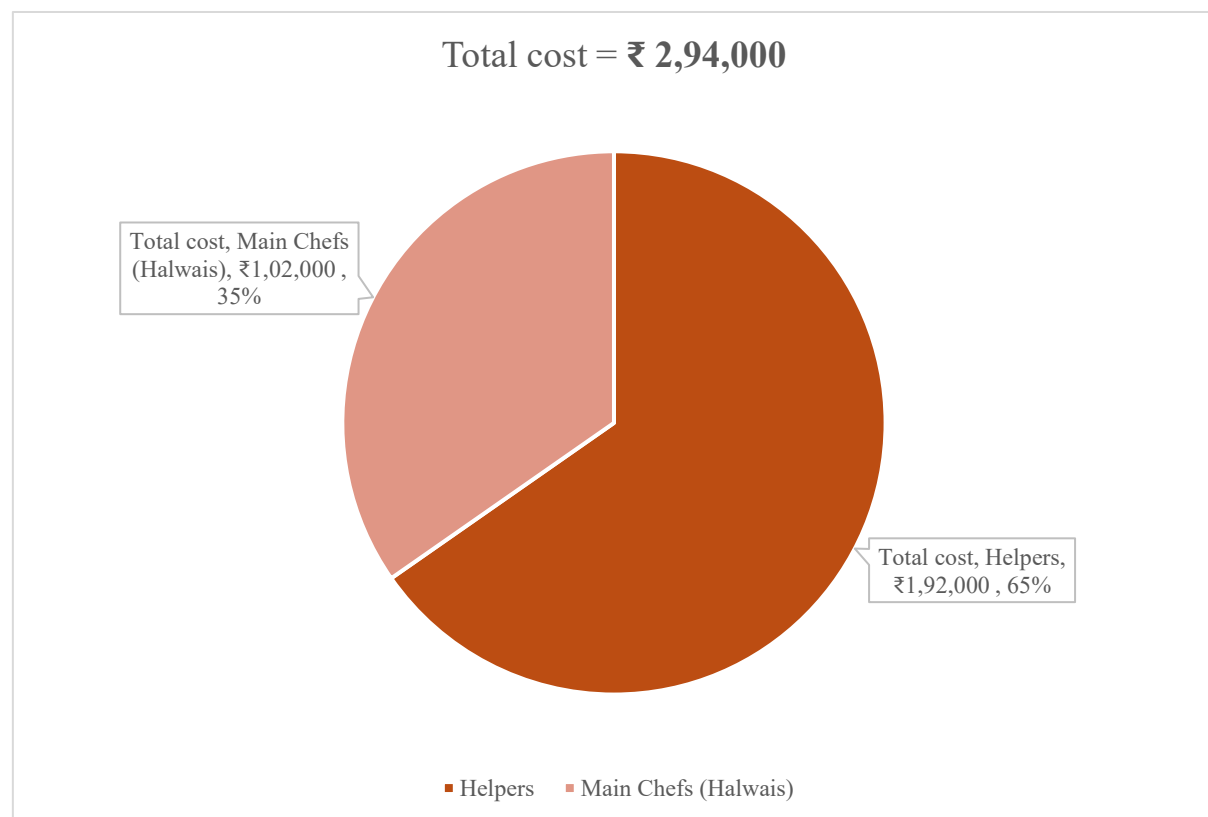
Introduction of New Products:

To diversify product range and tap into additional revenue streams, I proposed the introduction of new high value items like Red-Bull drinks. By demonstrating the viability of the new products and their potential to attract a wider customer base.

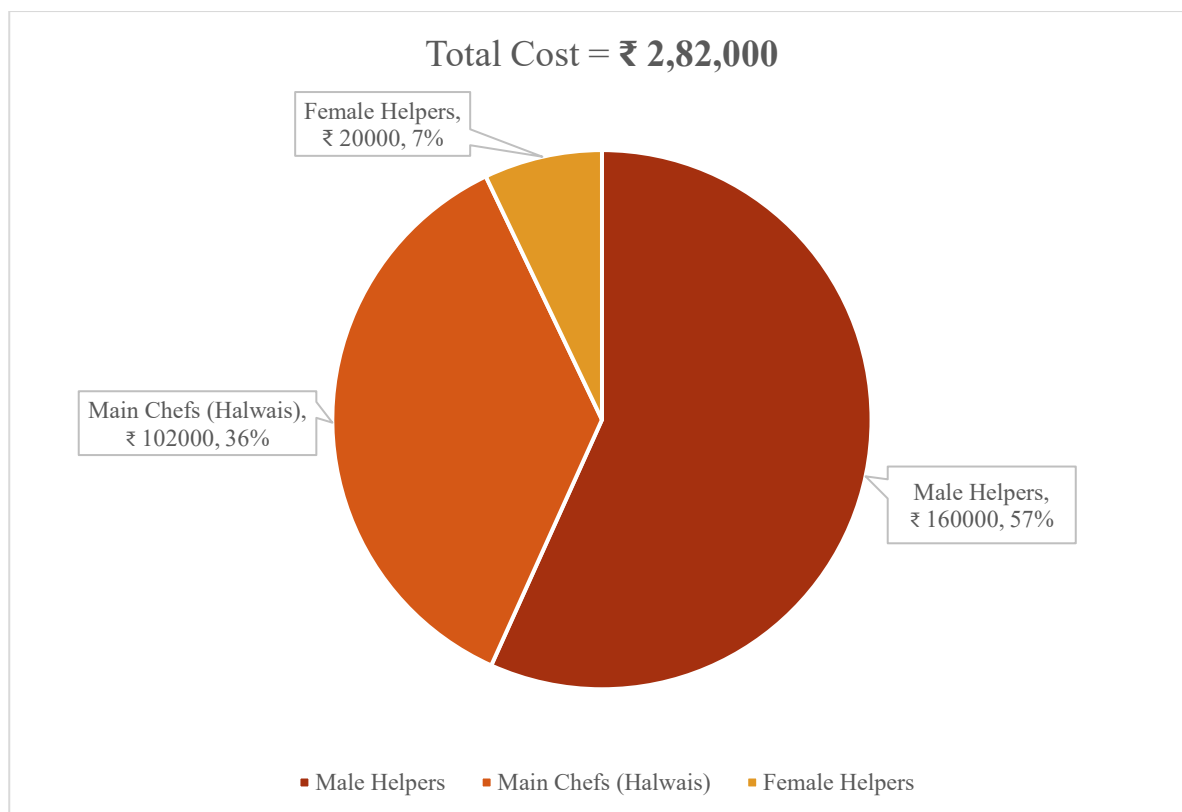
Optimizing Milk Procurement:

Addressing the challenge of rising milk prices to diversify sources of milk procurement while maintaining quality standards. I presented the comparative analysis to the shop owners, highlighting the potential cost savings and reduced dependency on a single supplier. By clearly demonstrating the advantages of this approach,

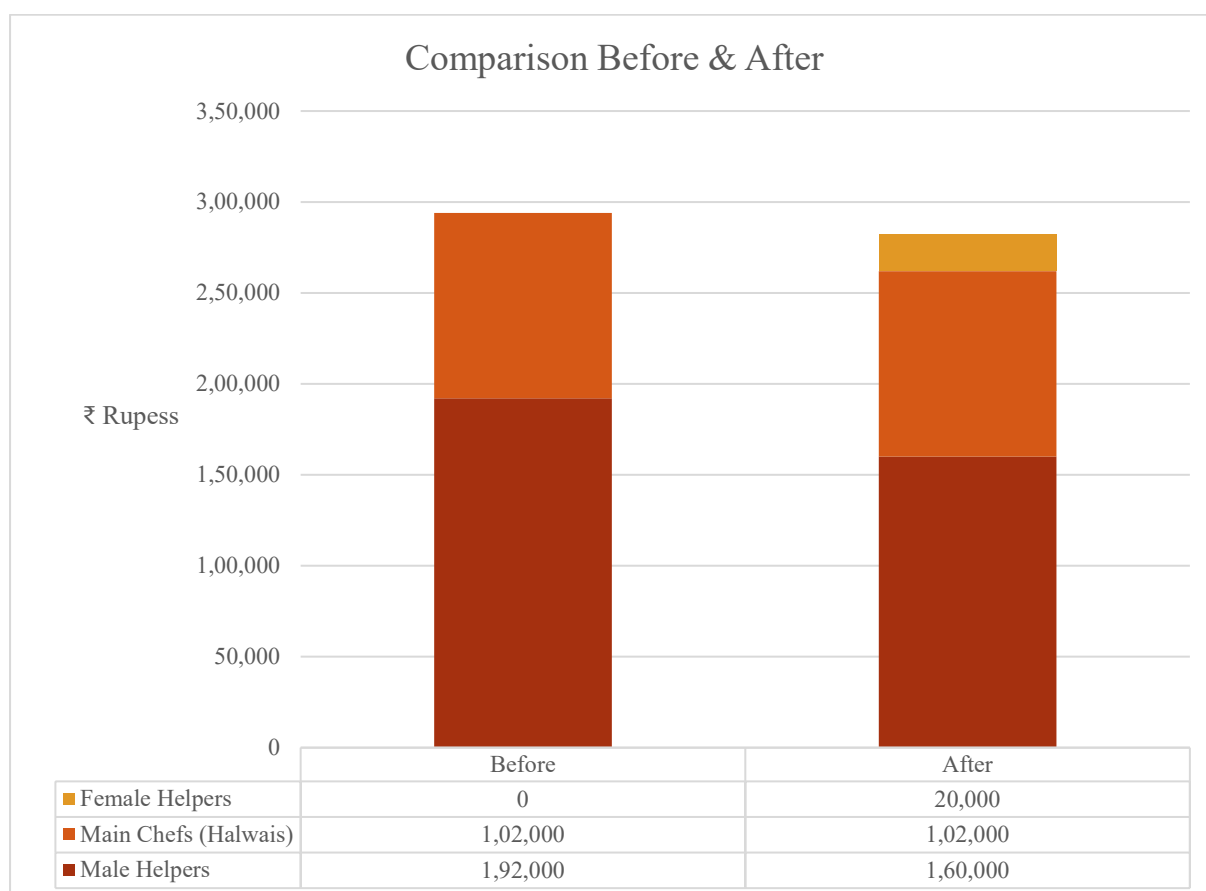
RESULTS AND FINDINGS



Graph 1: Pie-Chart of Workers Cost before Female Helpers.



Graph 2: Pie-Chart of Total Workers Cost after Female helpers hiring.

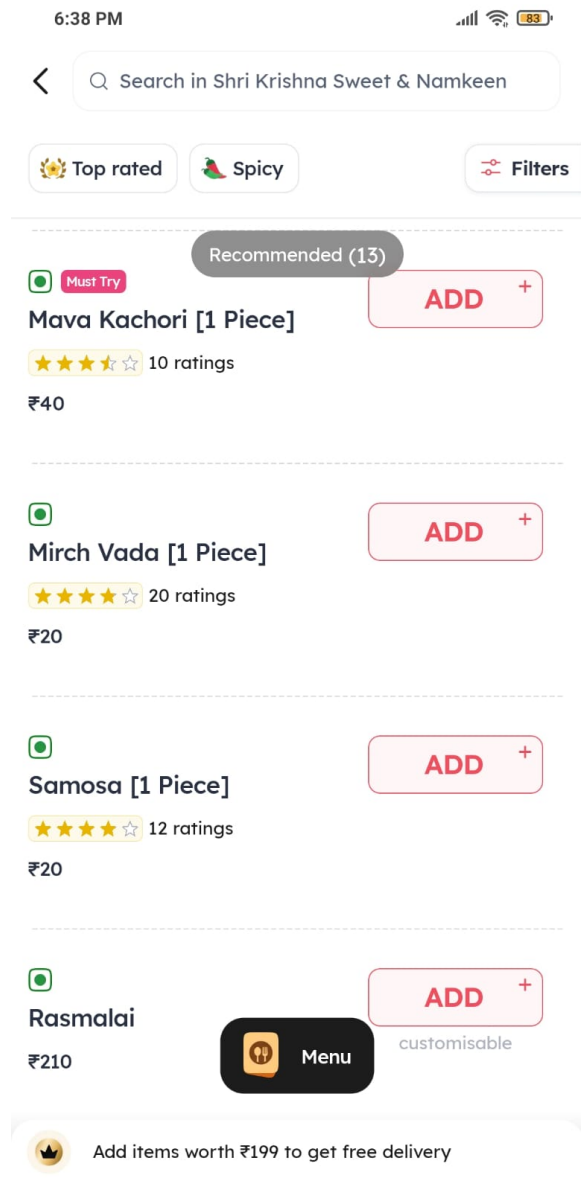
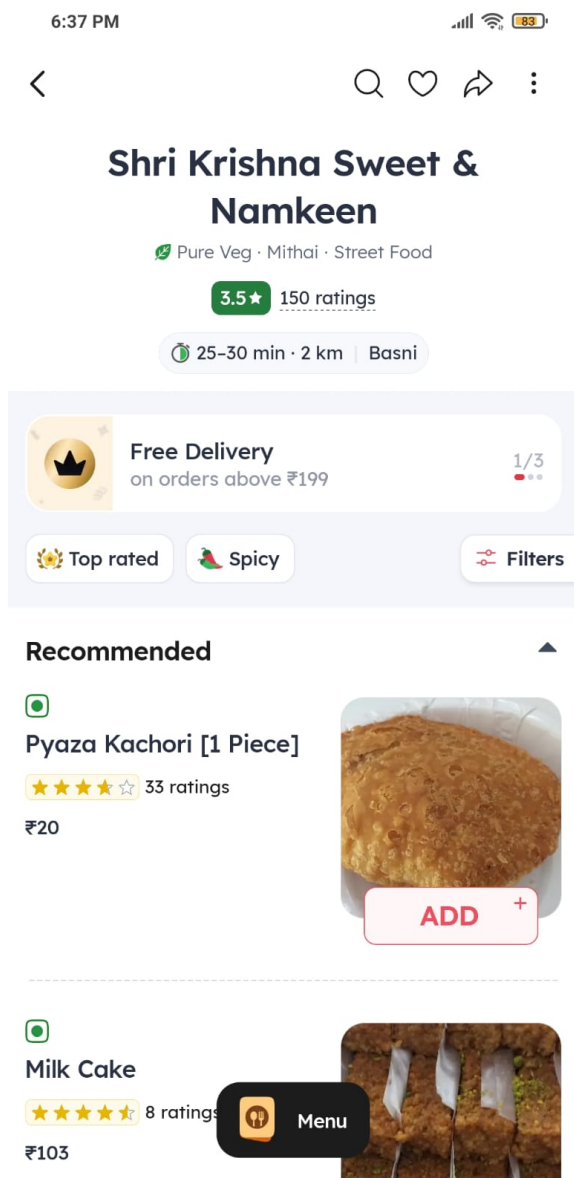


Graph 3: Bar Chart of comparison of Workers cost Before & After.

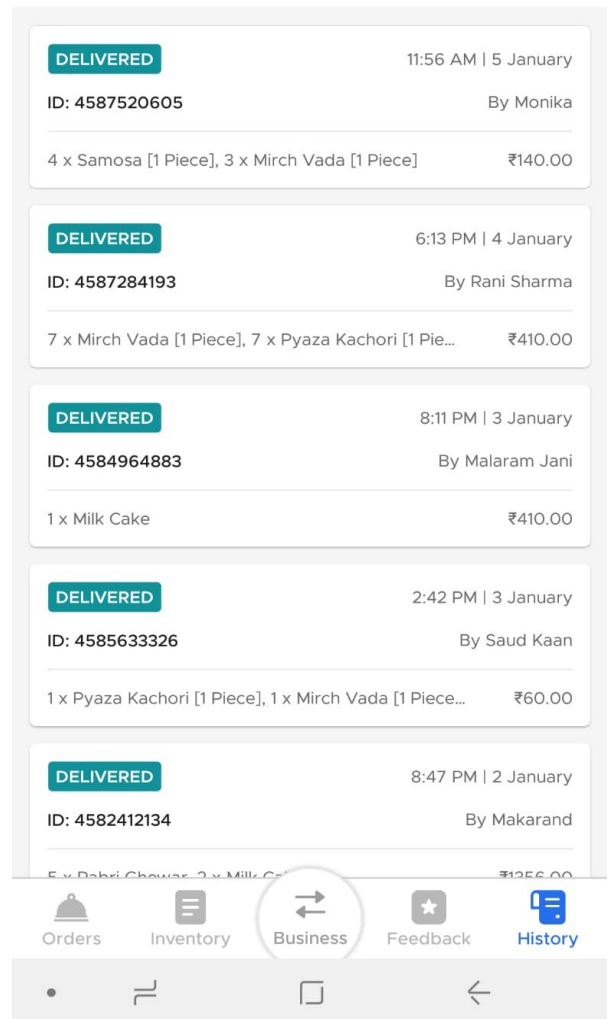
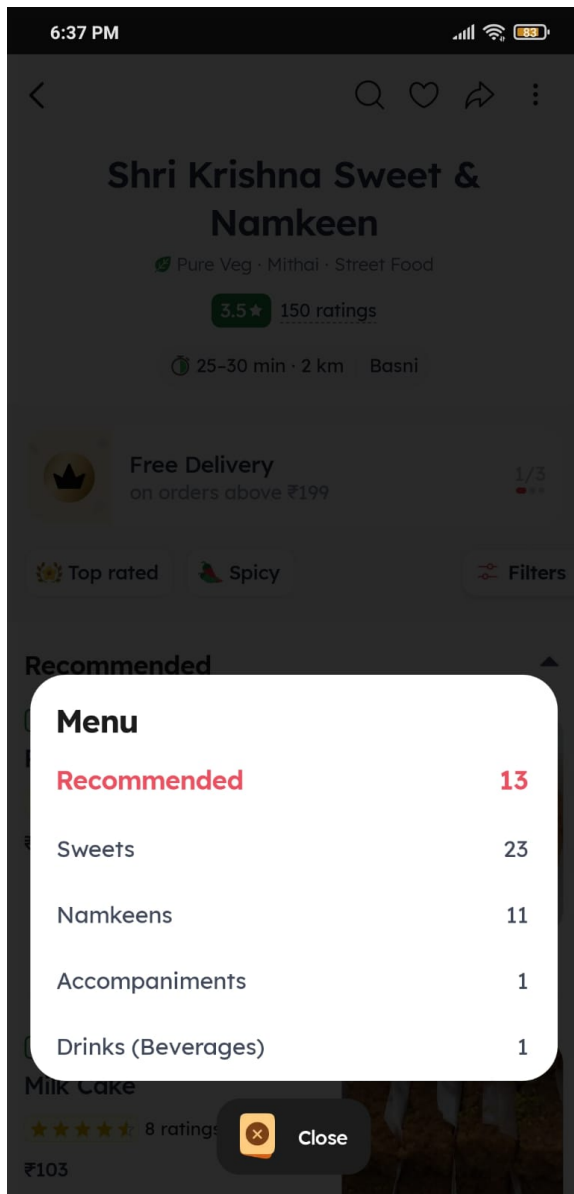
The graphical representations in **Graphs 1, 2, and 3** unveil a significant insight: the introduction of 2 Female Helpers instead of Male Helpers led to a substantial 6.25% reduction in Helper-associated expenditures.

This cost-effective shift is underscored by the fact that Male Workers, originating from different locations, incurred additional living costs. Previously, each individual incurred ₹4,000. The adoption of 2 female helpers resulted in a notable saving of ₹10,000.

Furthermore, the altered work schedules of female helpers, commencing at 10 AM, contrast with the early initiation (5 AM) required for in-house male workers. This adjustment contributes to a reduced salary burden.



Picture 1: Zomato Presence of Shop



Picture 2: Zomato Orders placed for 3 days.

Payout Breakup				
Breakup of your total earnings during this report period				
S.No.	Particular	Delivered Orders	Cancelled/ Rejected Orders	Total
	Number of Orders	5	0	5
(1)	Subtotal (items total)	₹925	₹0	₹925
(2)	Packaging charge	₹0	₹0	₹0
(3)	Delivery charge	₹0	₹0	₹0
(4)	Restaurant discount [Promo]	₹0	₹0	₹0
(5)	Restaurant discount [Salt, Freebie, Pro & other discounts]	₹0	₹0	₹0
(A)	Net bill value [(1) + (2) + (3) - (4) - (5)]	₹925	₹0	₹925
(6)	Total GST collected from customers	₹46	₹0	₹46
(7)	GST retained by Zomato - Amount of tax paid by Zomato under section 9(5)	₹46	₹0	₹46
(8)	GST to be paid by Restaurant partner to Govt.	₹0	₹0	₹0
(B)	Gross Sales [(A) + (6)]	₹971	₹0	₹971
(9)	Commissionable amount [(B) - (6) -(3)]	₹925	₹0	₹925
(10)	Commission value	₹204	₹0	₹204
(11)	Payment mechanism fee	₹18	₹0	₹18
(12)	Logistics charge	₹0	₹0	₹0
(13)	Taxes on Zomato fees	₹40	₹0	₹40
(15)	Tax collected at source + TCS IGST amount	₹0	₹0	₹0
(14)	TDS 194O amount	₹0	₹0	₹0
(16)	Other Order level deductions	₹0	₹0	₹0
	Customer Compensation/Recoupment	₹0	₹0	₹0
	Delivery Charges Recovery	₹0	₹0	₹0
	Credit note/(Debit Note) adjustment	₹0	₹0	₹0
	Promo recovery adjustment	₹0	₹0	₹0
(17)	Amount received in cash (on self delivery orders)	₹0	₹0	₹0
(18)	Pay later Deductions & other Res id Level Deductions (Refer to Annexure : "Addition/ Deduction Details")	₹0	-	₹0
(C)	Total Deductions [(10)+(11)+(12)+(13)+(14)+(15)+(16)+(17)+(18)]	₹261	₹0	₹261
(19)	Cancellation Refund (Auto)	₹0	₹0	₹0
(20)	TDS 194 H and other Res id level Additions (Refer to Annexure : "Addition/ Deduction Details")	₹0	-	₹0
(D)	Total Additions [(19) + (20)]	₹0	₹0	₹0
(E)	Net Payout [(B) - (C) + (D) - (7)]	₹664	₹0	₹664
Settlement breakdown				
	Amount Settled	₹664	₹0	₹664
	Pending Amount (Will be credited on next pay-out day)	₹0	₹0	₹0

Picture 3: 1st week Payout from Zomato.

Payout Breakup				
Breakup of your total earnings during this report period				
S.No.	Particular	Delivered Orders	Cancelled/ Rejected Orders	Total
	Number of Orders	11	0	11
(1)	Subtotal (items total)	₹2,640	₹0	₹2,640
(2)	Packaging charge	₹0	₹0	₹0
(3)	Delivery charge	₹0	₹0	₹0
(4)	Restaurant discount [Promo]	₹0	₹0	₹0
(5)	Restaurant discount [Salt, Freebie, Pro & other discounts]	₹0	₹0	₹0
(A)	Net bill value [(1) + (2) + (3) - (4) - (5)]	₹2,640	₹0	₹2,640
(6)	Total GST collected from customers	₹132	₹0	₹132
(7)	GST retained by Zomato - Amount of tax paid by Zomato under section 9(5)	₹132	₹0	₹132
(8)	GST to be paid by Restaurant partner to Govt.	₹0	₹0	₹0
(B)	Gross Sales [(A) + (6)]	₹2,772	₹0	₹2,772
(9)	Commissionable amount [(B) - (6) -(3)]	₹2,640	₹0	₹2,640
(10)	Commission value	₹581	₹0	₹581
(11)	Payment mechanism fee	₹51	₹0	₹51
(12)	Logistics charge	₹0	₹0	₹0
(13)	Taxes on Zomato fees	₹114	₹0	₹114
(15)	Tax collected at source + TCS IGST amount	₹0	₹0	₹0
(14)	TDS 194O amount	₹0	₹0	₹0
(16)	Other Order level deductions	₹0	₹0	₹0
	Customer Compensation/Recoupment	₹0	₹0	₹0
	Delivery Charges Recovery	₹0	₹0	₹0
	Credit note/(Debit Note) adjustment	₹0	₹0	₹0
	Promo recovery adjustment	₹0	₹0	₹0
(17)	Amount received in cash (on self delivery orders)	₹0	₹0	₹0
(18)	Pay later Deductions & other Res id Level Deductions (Refer to Annexure : "Addition/ Deduction Details")	₹0	-	₹0
(C)	Total Deductions [(10)+(11)+(12)+(13)+(14)+(15)+(16)+(17)+(18)]	₹746	₹0	₹746
(19)	Cancellation Refund (Auto)	₹0	₹0	₹0
(20)	TDS 194 H and other Res id level Additions (Refer to Annexure : "Addition/ Deduction Details")	₹0	-	₹0
(D)	Total Additions [(19) + (20)]	₹0	₹0	₹0
(E)	Net Payout [(B) - (C) + (D) - (7)]	₹1,894	₹0	₹1,894
Settlement breakdown				
	Amount Settled	₹1,894	₹0	₹1,894
	Pending Amount (Will be credited on next pay-out day))	₹0	₹0	₹0

Picture 4: 4th week Payout from Zomato.

The decision to introduce Sweets and Snacks on the online platform was met with a positive customer response, leading to an observable upswing in sales. The subsequent visuals (Pictures 2, 3, and 4) provide a window into weekly order specifics and payouts received from Zomato, demonstrating the tangible impact of this expansion. **Picture 2, 3, 4** are order details and payout on weekly basis from the Zomato for the shop.

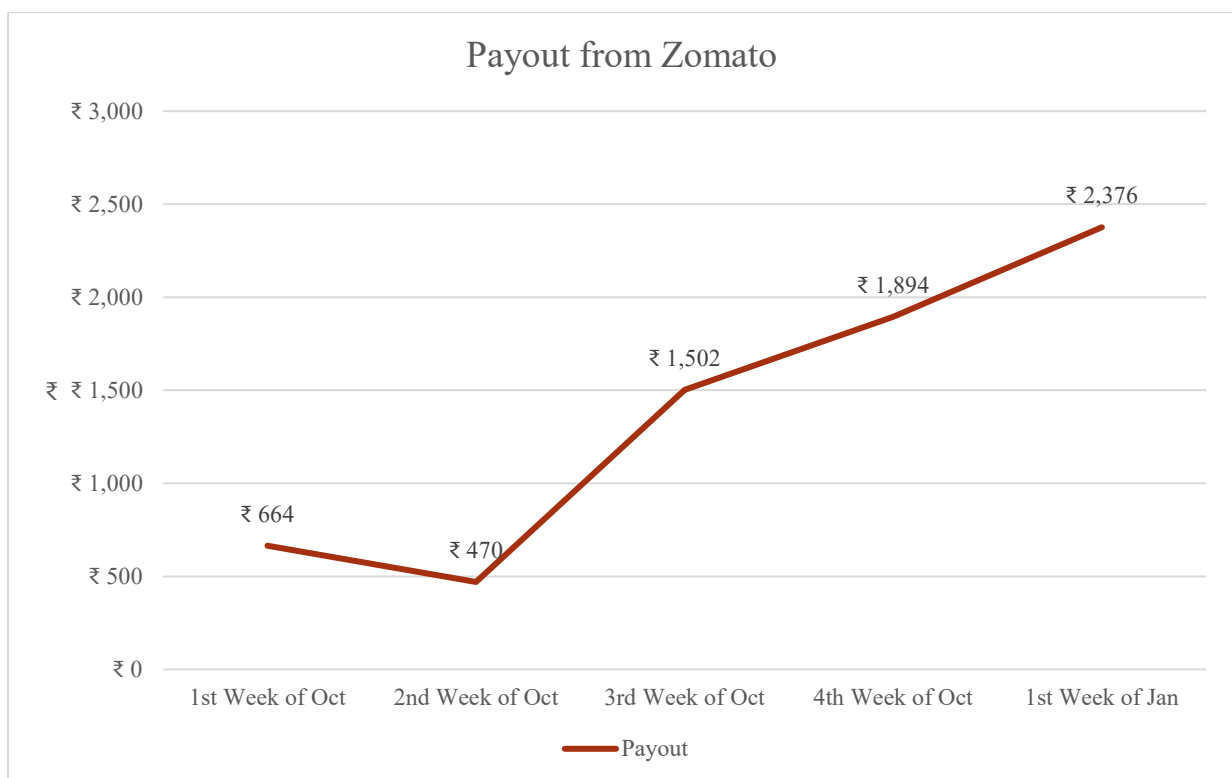
Initial sales figures on Zomato were moderate, but the accumulation of favourable customer reviews triggered a remarkable surge in sales. The sales range reached an impressive ₹2,000 - ₹3,000 per week.

With this they are also trying to increase the SKUs on the platform.

Week	Payout
1 st Week of Oct	₹664
2 nd Week of Oct	₹470
3 rd Week of Oct	₹1,502
4 th Week of Oct	₹1,894
1 st Week of Jan	₹2,376

Table 1: Zomato Sales for few first week of presence.

Based on **Table 1:**



Graph 4: Trendline for sales through Zomato.

As previously stated in the Mid-Term Report, the average sale of snacks was recorded as ₹23,950. However, with the incorporation of Zomato sales data into analysis, the current average daily sales have shown a noteworthy shift, reaching approximately ₹350.

This alteration signifies a remarkable increase of approximately **1.46%** on a daily basis.



Picture 5: New product introductory of Cold Drinks and Ice-Creams.

Introduction of New Offerings:

The decision to introduce ice creams and cold drinks stemmed from a drive for innovation and the owner's input.

Exploring Premium Products:

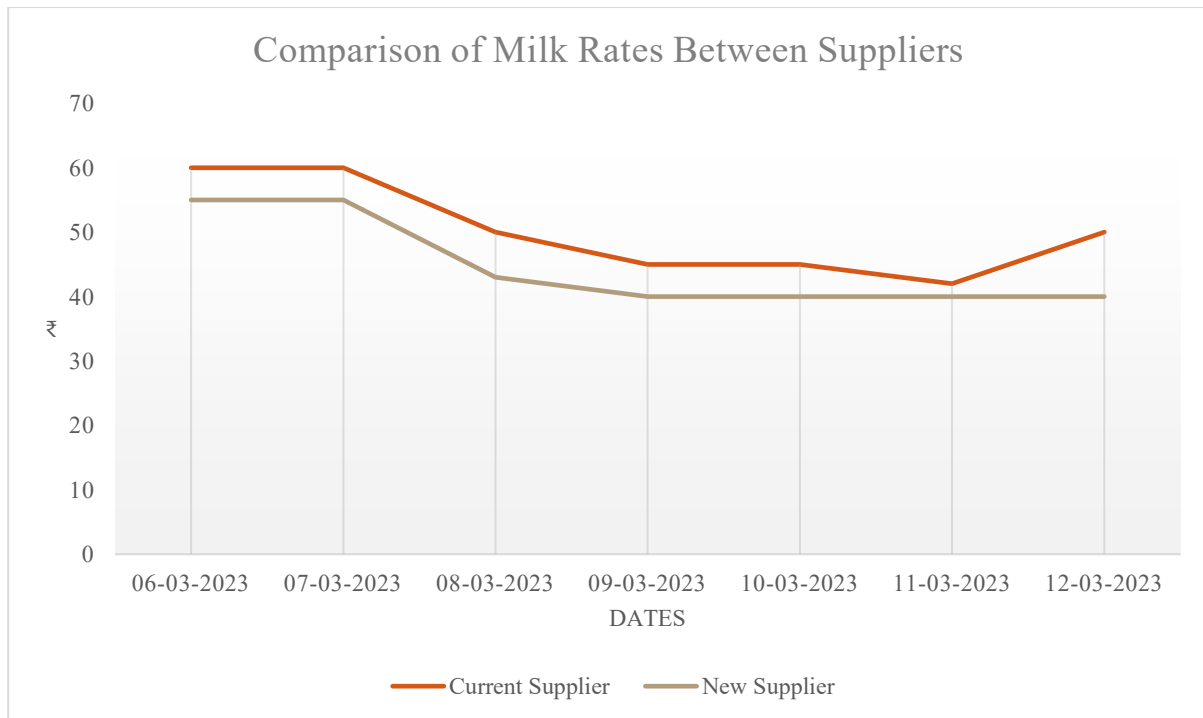
A strategic suggestion involves considering high-value items such as Red Bull, a sought-after energy drink. This would tap into current trends and cater to customer preferences.

Red-Bull, averaging 15 boxes per month with 24 units each, offers a lucrative 25% profit margin.

At a cost price of ₹100 and a selling price of ₹125 per unit, this opportunity holds significant potential.

The potential profit from Red Bull alone is estimated at approximately ₹9,000 per month, making a notable contribution to overall revenue.

Additionally, the introduction of ice creams and cold drinks has yielded a positive outcome, generating around ₹12,000 in profit.



Graph 5: Line Chart between milk rates of different suppliers for a week of data.

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

- The milk consumption of shop is around 150 Liters daily.
- And 120 Liters is still procured by current supplier as the new supplier can't support the demand supply and shop owner is not completely satisfied with the quality of the milk.
- So, the remaining approx. 30 Liters is fulfilled by the New Supplier and price is always compared and kept low from the current supplier.
- The new supplier's milk is used for secondary product as Curd, *Chaas*, *Lassi* etc.

And when comparing based on the data the cost is slightly brought down by:

- Cost when all the milk is only obtained from current supplier for a week is:
 - $= 150L \times (60 + 60 + 50 + 45 + 45 + 42 + 50)$
 - $= ₹52,800$
- Cost when supply is divided:
 - From current supplier $= 120L \times (60 + 60 + 50 + 45 + 45 + 42 + 50)$
 - From new supplier $= 30L \times (55 + 55 + 43 + 40 + 40 + 40 + 40)$
 - Total $= ₹51,630$
- **Cost reduced by 2.21%.**

INTERPRETATION OF RESULTS AND RECOMMENDATION

COST OF STAFF

Hiring Female Helpers

The introduction of female helpers as a cost-saving measure has proven effective. The transition has led to a 6.25% reduction in total workers' costs. This is primarily due to lower living costs and reduced wages for female helpers compared to male workers. Additionally, the flexible working hours of female helpers have contributed to improved workforce management.

SALES OF SNACKS

1. Zomato Presence and Sales:

The decision to expand the business on Zomato has yielded positive results. The data indicates a steady growth in sales through the platform. The average sales of ₹23,950 per day from traditional in-store sales have been complemented by an average of ₹350 per day through Zomato. This represents a 1.46% increase in daily sales, underlining the effectiveness of this online channel in boosting revenue.

2. Introduction of New Products:

The introduction of new products, such as ice creams and cold drinks, has diversified the product range and contributed to higher profitability. With the potential for an additional profit of ₹12,000 per month from ice creams and cold drinks, this initiative has successfully tapped into consumer preferences and provided additional revenue streams.

MILK PROCUREMENT

Optimizing Milk Procurement:

The analysis of milk procurement options has resulted in a strategic shift towards diversification of suppliers. By procuring a portion of the milk from a new supplier, the shop has achieved a 2.21% reduction in procurement costs for milk. This not only lowers costs but also mitigates risks associated with dependency on a single supplier.

Let's calculate the total increase in profit and the total reduction in costs:

1. Cost Reduction from Hiring Female Helpers:
 - Original Cost of 2 Male Helpers: ₹32,000
 - Cost of 2 Female Helpers: ₹20,000
 - Cost Reduction: ₹32,000 - ₹20,000 = ₹12,000
2. Increase in Sales through Zomato:
 - Average Daily Sales from Zomato: ₹350
 - Increase in Sales: ₹10,500 - ₹0 (initial sales) = ₹10,500
3. Additional Profit from New Products:
 - Additional Profit from Ice Creams and Cold Drinks: ₹21,000
4. Cost Reduction from Optimizing Milk Procurement:
 - Reduction in Milk Cost: ₹52,800 - ₹51,630 = ₹1,170

Adding these values together:

Total Increase in Profit = Cost Reduction from Hiring Female Helpers + Increase in Sales through Zomato + Additional Profit from New Products + Cost Reduction from Optimizing Milk Procurement

Total Increase in Profit = ₹12,000 + ₹10,500 + ₹21,000 + ₹1,170

Total Increase in Profit = ₹44,670

Therefore, based on the data provided, the **total increase in profit is ₹44,670**. This increase in profit is a result of both cost reduction measures and revenue enhancement strategies implemented in business.

RECOMMENDATIONS

1. Female Helpers:

The success of hiring female helpers highlights the potential benefits of a diverse workforce. Consider extending this approach to other roles within the shop, leveraging the advantages of gender diversity, flexible working hours, and cost efficiency.

And can look into buying some automation machine to ease the work of additional worker and can a speed up process.

2. Online Presence:

Capitalize further on the online presence by exploring other food delivery platforms in addition to Zomato.

Platforms like Swiggy and Uber Eats can provide access to a wider customer base and enhance sales.

3. Product Innovation:

Continue to introduce high-value products that align with customer preferences. Consider conducting customer surveys or analysing sales data to identify potential additions to the product range, ensuring a mix of profitability and customer appeal.

4. Supplier Relationships:

Maintain a balance between multiple suppliers for critical inputs like milk. Regularly review the performance of new and existing suppliers to ensure consistency in quality, pricing, and timely delivery.

5. Data-Driven Decision Making:

Continue the practice of data-driven decision-making. Implement a system to monitor and analyse the performance of different initiatives and channels. This will help in making informed adjustments and optimizing strategies in real time.

6. Customer Engagement:

Leverage online platforms not only for sales but also for engaging with customers. Respond to reviews, gather feedback, and create a sense of community around the brand. This will foster customer loyalty and improve the overall brand image.

7. Sustainability:

Consider implementing sustainable practices in procurement and operations. For instance, exploring local sourcing for ingredients or adopting eco-friendly packaging can align with growing consumer preferences for environmentally responsible businesses.

In conclusion, the data-driven initiatives undertaken have demonstrated the potential to drive positive outcomes for Shri Krishna Sweets & Namkeen. By continuing to harness the power of data and implementing the recommended strategies, the business can further optimize operations, enhance profitability, and create a stronger foothold in the competitive market.