Unbottling the Bottling Industry with Varun Beverages Limited

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Varun Beverages Limited (VBL), a significant player in the beverage industry, stands as one of the largest franchisees of PepsiCo globally, operating outside the USA. VBL manufactures, distributes, and sells a diverse array of carbonated soft drinks (CSDs) and non-carbonated soft drinks (NCSDs), with India standing as its largest market. They utilize automated processes and stringent quality checks, supported by an extensive distribution network spanning 27 states and 7 union territories in India, as reported in fiscal year 2022.In this study, we will delve deeper into VBL’s operations to understand the key factors contributing to its remarkable success.

**Key areas of investigation include:**

**Manufacturing costs**

Understanding Varun Beverages Limited's manufacturing costs and identifying expenses related to factories and warehouses will uncover opportunities for cost reduction.

Manufacturing costs encompass both fixed and variable costs. Fixed costs consist of expenses like white-collar workforce salaries and facility expenditures, (depreciation). Variable costs consist of blue-collar operator wages, utility expenses for essential services like electricity, water, gas, heating, and cooling, and material expenditures.

Water and chemicals play integral roles in the sanitation process for packaging bottles. Water is used for cooling purposes, such as cooling the syrup mixture, or the machinery used in the production process. Reducing water usage can contribute to cost reduction for VBL. VBL's soft drink formulations rely on sweeteners such as HFCS, aspartame, stevia, along with phosphoric and citric acids, CO2 for carbonation, preservatives, colors, and emulsifiers/stabilizers.

**Sales and Distribution Channel**

The market share of PepsiCo in overall beverage market (India) is ~30%. To reach a leadership position, we need to identify opportunities to penetrate markets. The supply chain of Varun Beverages Limited encompasses roughly 34 manufacturing facilities in India. The products manufactured at these plants are subsequently transported to warehouses, and then distributed to a network of distributors and retailers, which includes both modern retail establishments (Malls, Reliance-commerce) and general trade (Mom & Pop stores).

VBL needs to focus on underpenetrated territories of Bihar, Madhya Pradesh, Jharkhand, and the southern and western regions for potential expansion and market growth. Andhra Pradesh has other franchised territories which pose a major competition to VBL.Therefore, examining the supply chain within these areas will help uncover strategies for market penetration.

**Sustainability**

**The mission of VBL:**

**“While refreshing billions of consumers with a vast portfolio of beverages touching all age groups, we shall ensure a suitable ecosystem with a positive impact on our planet and wellbeing.”**

Water utilization is reduced by investing in next-generation lines and plant process improvements. ESG is at the very core of VBL’s DNA .1.5 billion liters have been saved since 2020. VBL has recycled 85% of its used PET bottles. This reduces carbon emissions by great folds. The weight of the plastic bottles has also been reduced by 25%. 15% of energy is being sourced entirely from renewable methods.

We would like to delve deeper into this mission of VBL and explore more solutions.

In conclusion, examining sales and distribution channels, addressing sustainability concerns, and identifying manufacturing costs are crucial components within the beverage industry. By delving deep into the challenges, and proposed solutions within this domain, we aim to enhance understanding, foster innovation, and drive continuous improvement within the beverage industry.

Details:

1. Number of visits required: 3
2. Cost incurred per visit: approx. Rs. 4000

Industrial Exploration of Glider India Limited: A Strategic Analysis

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# Abstract

Gliders India Limited (GIL), situated in Kanpur, stands as a cornerstone in defense manufacturing, particularly renowned for its precision-engineered parachutes and critical defense components vital for national security. With a rich history of innovation and reliability, GIL's commitment to precision engineering underscores its reputation for delivering defense solutions that surpass stringent quality standards.

At the heart of GIL's operations lies a sophisticated approach to precision engineering, ensuring the production of parachutes and defense components that excel in performance and durability. The company employs advanced design methodologies, meticulous materials selection, and cutting-edge manufacturing processes to craft parachutes that meet the diverse needs of defense applications.

**Key areas of investigation include:**

**Diverse Range of Defense Products**

GIL's catalog encompasses various parachutes tailored for various defense applications, including personnel parachutes, cargo parachutes, and specialized variants. Each parachute undergoes rigorous testing and refinement to ensure optimal functionality and reliability in demanding operational environments, reinforcing GIL's reputation as a trusted supplier to defense agencies and armed forces.

**Precision Engineering Involved in Production**

We aim to study the precision engineering involved in the production of defense-grade parachutes and a detailed analysis of GIL’s technological advancements which focus on its glider designs, engineering capabilities, and research initiatives. Special emphasis is placed on the company's contributions to enhancing aviation safety, efficiency, and sustainability through its cutting-edge technologies.

Details:

1.  Number of visits required: 3

2. Cost incurred per visit: approx. Rs. 4000