BUSINESS DEVELOPMENT MANAGEMENT

PROJECT PROPOSAL

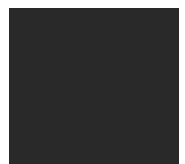<u>**TITLE**</u>

IMPROVING PROFITABILITY AND GROCERY STORE
THROUGH SALES STRATEGIES AND INVENTORY
OPTIMIZATION

<u>**NAME**</u>-   VAISHANAVI MEHTA
<u>**ROLL NO**</u>.-   22F3000439

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Declaration Statement

I am working on a Project Title "Improving profitability and grocery store through sales strategies and inventory optimization".

I extend my appreciation to Tanishka Enterprises, 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:

Name:
Vaishanavi Mehta

Date:
2nd February, 2024

EXECUTIVE SUMMARY

The proposal is for **Tanishka Enterprises**, is a small grocery store located in Jaipur, Rajasthan. The shop has been in business for about 8 years and sells candies, toiletries and other household items, The shop has a sole owner, for whom this store is the solitary source of income.
I have chosen this business due to the owner's cooperation in providing data and its proximity to my residence.

After a detailed discussion with the shop owner, and few I have reached the following conclusion:
The business has 2 major concerns that are addressed in this literature:
Stagnancy in revenue generation and inventory optimization

To address the problem of lack of growth, the two main obstacles are local competitors and the proliferation of online markets.
the proposal suggests collecting data about local purchasing patterns, competitor prices and seasonal schemes as well as expansion into the online domain or/and providing a home delivery service.

To optimize inventory, the proposal suggests bundling fast-moving items with slow-moving items as a part of an offer, and purchasing perishable items subjective to sales and not as a regular pre-order. And maintenance of inventory through sophisticated methods over current system of handwritten bills.

The proposal concludes that by addressing these issues, Tanishka Enterprises can improve their profitability, inventory and better serve their customers.

ORGANIZATION BACKGROUND

The name of the shop is **Tanishka Enterprises** which is an 8-year-old shop located in Bagru, Jaipur It is a grocery (Kirana) store that sells items like toothpaste, stationery, candies etc.

The store was established in 2016, with an initial investment of around 2.7 lakhs, including the renovation costs, and initial inventory. funding was procured through the owners saving and small loans from family members at minimal interest, that have since been paid off.

The store is situated in a small, close-knit locality which is not very developed, however is in close proximity to 2 educational institutes, one is a big private university with about 10,000 in-house students and one is a local school. Hence, its main customer base are the local people, that the store owner has long-term inter-personal relations with and students between the ages of 18-22.

The store does not have any employees apart from the owner, who manages accounts, sales and inventory by himself.

PROBLEM STATEMENT

The business is facing 2 major problems listed as below-

1. Stagnant Revenue generation: The store has not seen much increase in net profit since its establishment, and even less with the propagation of online grocery stores.

2. Inventory Management: The store owner finds it hard to manage inventory since a lot of items are always in surplus that takes up a lot of space, and causes product damage/ wastage.

BACKGROUND OF THE PROBLEM

1. Revenue Generation - As the owner states that this seems to be a common problem in this business at their level that net profit gets stagnant, after a certain point.
2. Decrease in the sales- of the snacks and packing items in the shop, as there was an increase in competition around them after new shops opened. But due to being in the same locality since a long time, they have very good customer base but still want to grow.
3. Inventory and storage - since they do not have a specified storage space, all the inventory is placed on the shelf itself. This means that they do not have a count on most products and the storage is disorganized and not well maintained. They also cannot keep track of when some perishable goods expire while still on shelf.

PROBLEM SOLVING APPROACH

Primary type of data: Time-series data with a timeline of 4 weeks.

Motive: observe sale patterns of different items, to pick out fast-moving items and slow-moving items.
Using graphical tools such as pivot tables, pie charts and histograms to identify purchasing patterns and compare performance with competitors.
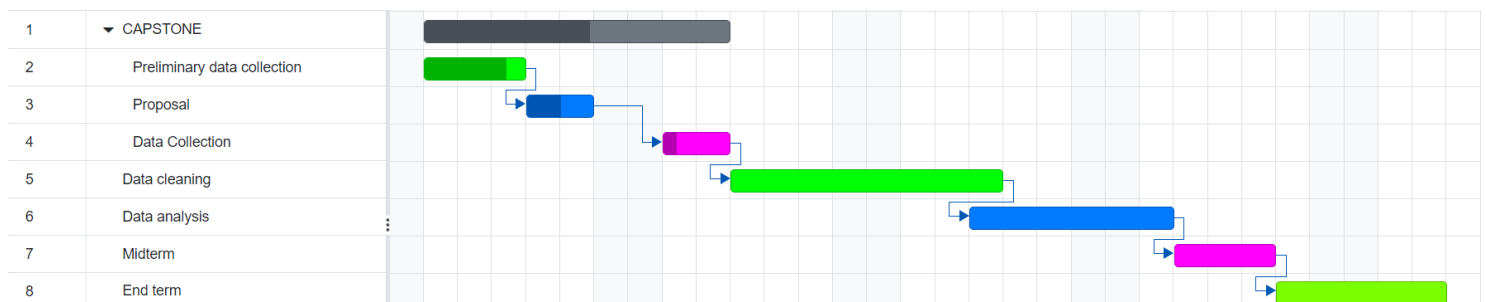Using of an improved and organized inventory management system to simplify record maintenance of stock and keep track of expired stock.

Data collection tool:
MS EXCEL

To simplify analysis and make it conclusive, despite the store's intensive inventory, I will only be looking at a select few items whose sale trends can be generalized to other items in the store and will be keeping record of:

1. Opening balance:
   Quantity   Unit Price   Value

2. Inward Stock
   Quantity   Unit Price   Value

3. Outward Stock
   Sales Unit Price   Revenue

4. Closing Balance
   Quantity   Unit Price   Value

5. Profit

EXPECTED TIMELINE AND OUTCOME

Outcome-

1. There will be Increase in sales and revenue from the new sales strategies.
2. Simplified and efficient storage and record-maintaining system.