



**A CASE STUDY ON EXPANSION& MODERNISATION
OF“ATULYA MANUFACTURERS” USING EMERGING SOURCE OF
FINANCE & MARKETING STRATEGIES**

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ABSTRACT:

The present paper is an attempt to emphasize on “Atulya” business of pickles and a jam which was started in year 2003 by Charitha’s grandmother. Today’s business environment is very competitive and challenging. Customer always demands innovative products & services. In order to retain and grow in this industrial revolution 4.0 stage, there is need of expansion and modernization of business unit timely. Charitha, a recent graduate in Hotel Management and Business Administration takes lead of business and decided to take her grandmother well established business to new heights. While doing expansion of business, there is requirement of technical, finance and investment skills. This paper attempts to study how Charitha is going to expand her business using latest sources of finance and marketing strategies.

Keywords: *Pickle & Jam Industry, Atulya Manufactures, Case Study Method*

I. Introductory Case

Charitha, a young professional who had recently completed her class XII from St. Xavier’s School, Mumbai went to London School of Business to pursue a degree in Hotel Management and Business Administration. She always wants to take business of her family

to new heights. Her grandmother started food processing house "Atulya Manufacturers" of manufacturing pickles and jams in 2003 in Mumbai, Maharashtra. The business was doing reasonably well. Charitha completed her graduation in 2023 and joined her grandmother business and take lead. Charitha's elder sister Shree who is Chartered Accountant and recently working as Investment Banker with S&P Global Ltd. She guide Charitha to bring some innovation in products and marketing strategies, as today's business environment is dynamic. Without modernization, there is no survival in industrial revolution 4.0 stage. However, Charitha had recently learned that making impactful changes in business can take business to new heights.

II. Pickle & Jam Industry

In FMCG sector, there are several foods which grace nearly all Indian households, restaurants and hotels and more often than not, one of them is pickle which we call in our traditional language "achaar". A food item that instantly reminds of our home, when we are living in hostels and PG. Indian pickles are packed with as much love as they are with flavor.

Indian pickles are fully loaded with spices with numerous layers of flavor. Pickle remains household staple and favorite everywhere. India is a country where diverse culture & traditions exist, so varieties of pickle are available throughout the country. Assorted pickle generally called as mixed pickle in Indian and Pakistani cuisine which is always highly demanded in Indian market. It is prepared by boiling a marinade and then cooking vegetables in the marinade. Green chilly pickle is considered as Rajasthani specialty and is sometimes used as flavor for Indian fast food. Coconut Pickle is served with south Indian breakfast. There are more than 80 pickles serving different taste in Indian market.

Now a days, food preservation and production of different types of jams have become a very prosperous industry, especially in country like India which is producer of tropical fruits.

Chutney which is one of favorite food item of Indian consumed in breakfast in every house. It is spicy mixture of vegetables and fruit preserves. For this preserve only sugar is used.

III. About "Atulya Manufacturers"

Well established brand of Mumbai serving more than 180 customers on daily basis. Presently Atulya Manufacturers Ltd is providing four types of pickle and 2 types of jams to its

customers. One of its pickle "Aam ka ghar" is very famous and "Chutney rasoi se" is ever demanding product of "Atulya".

Charitha's first day was amazing in "Atulya". She got to know about various types of pickle and seen the production process of all the pickles which were prepared in their production unit. Charitha dream was to make this business among top 10 in India. She wants to undertake modernization of the existing business to introduce the latest production processes and diversify into the market of pickles. She discussed this idea with her sister and grandmother regarding expansion and modernization of business.

Current net worth of "Atulya" is 2 Crore and 6 lacs (including land). Charitha was very enthusiastic and have a discussion with Shree (who is working as Investment Banker) for 4-5 days regarding requirement of additional capital, sources of funds and new flavors of pickle and jam to be add on. Charitha was trying to contact her teachers, friends and seniors of college from where she has studied. Finally Charitha and Shree have prepared following financials (detailed requirements for expansion of business):-

Particulars	Amount
Machinery:-	
1. Automatic Blender Machine (240 V & Capacity 50 kg)	1,50,000
2. Pickle Machine (220 V & Capacity 20 to 1000Kg/hr.)	30,000
Additional Labor (2)	9,000 * 2 = 18,000 18,000 * 12 = 2,16,000
Raw Material (Pickle & Jam)	27,000 * 12 = 3,24,000
Power Charges (to run machines, fans & lights)	6,000 * 12 = 72,000
Medical Insurance of employees (8 existing one & 2 new)	7,000 * 10 = 70,000
Miscellaneous (tea, stationary & others)	3,000 * 12 = 36,000
Packaging Expenses	4,500 * 12 = 54,000
Advertising & Publicity charges	7,000 * 12 = 84,000
Total Amount (Approx.)	10,54,000

Charitha believes that employees are assets for an organization; therefore she has taken an initiative of providing medical facility to her employees. She also had a plan to have a primary health checkup every month for their employees. As in today's scenario where competition is high, all the factors of PESTLE are challenging the management and operations cost of the organization.

QUESTIONS:

1. How this idea of modernization comes in Charita's mind. Instead of opening a new venture, she is going to lead 20 years old business.
2. What new marketing strategies should Charitha use for maximum reach of new flavors of pickles and jams to customers?
3. Keeping the above considerations in mind, name the sources of finance Charitha should use for financing the modernization and expansion of her grandmother pickle business. Give reasons in support of your answer.

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Disclaimer: *This case is written for educational purpose only. The authors have disguised the names and other information to protect confidentiality.*

IV. Teaching Notes:

Now a day's companies and business units always look for ways to grow their business and increase market share, sales and profits. There are several techniques that companies use for execution of strategies. These techniques depend upon present competition scenario, government rules, regulations, and financial situation. Today's business environment is very

challenging and dynamic that requires skills and perfect knowledge before starting or expanding a venture.

Government of India is encouraging youth to move for their startups, instead of becoming job seekers, they should be job providers. Now a day's institutions and universities have established incubation cells in their campus itself, which provides opportunities to procure land space, labor and funds to start their own venture.

V. Possible Solutions:-

Problem: How this idea of modernization comes in Charita's mind. Instead of opening a new venture, she is going to lead 20 years old business.

Solution: Charitha birth took place in Mumbai, Maharashtra. Ratnagiri which is approximately 330 km from Mumbai and very famous for Alphonos Hapoos. Charitha's grandmother started this business because Alphonos Hapoos is easily accessible in Mumbai through roadways as well as train network. Charita believes that in India people wants specialty food and they are ready to pay high for it. As an advantage of easy accessibility of Alphonos, Charitha decides to launch 2 types of new pickle "**Spicy Bud of India**" and "**Mango-lovers**" and chutney "**Dadi ki Chutney**".

Charitha believes that one should contribute to dream of her parents and grandparents. Her grandmother usually said that this business was her dream project and she has dedicate 20 years into this, if Charitha will lead this business to new heights, this would be the most amazing moment for her grandmother.

Problem: What new markets strategies should Charitha use for maximum reach of new flavors of pickles and jams to customers?

Solution: To successfully market our business and to be known about customers taste and preference, Charitha decides to conduct market survey. She got very good response from market as people living in Mumbai is fan of mangoes. Following marketing strategies used by Charitha for promotion of her business:-

- 1. Developing a public relation strategy:-** Charitha with the help of her college friends prepared a wonderful video of new products and shared with local

journalists. She started reaching schools and sponsors their small level events, through which schoolchildren get awareness of these products. Marketing team distributed free samples and discount coupons to school children. This show prompt response in sales of new products.

- 2. Presence on social media platform:** -Budget is a constraint for Charitha, a recent graduate and her finance world expert sister spreads love and happiness of mangoes on all platforms of social media – Facebook, Instagram and Twitter. Marketing & Research team visited all the grocery stores, stationery shops, vegetable & fruit sellers and coaching institutes and let them know about their social media page.
- 3. "Mango is our pride" Vlog:-** Beautiful and creative idea given by Charitha friends proves fruitful, whenever customers came to "Atulya" marketing team prepares vlogs of all the customers sharing their happiness and love towards new products. People started sharing these vlogs which makes Charitha venture very popular in town.

Problem: Keeping the above considerations in mind, name the sources of finance Charitha should use for financing the modernization and expansion of her grandmother pickle business. Give reasons in support of your answer.

Solution: Putting all our eggs in one basket is never a good business strategy. Shree said that we must be proactive entrepreneur, we should move towards various finance alternatives because now a days credit rating companies don't see business house as sole source of fund. Following sources of funds have been used by Charitha to procure 10 lacs rupees:-

- 1. Love Money:** -Money loaned by parents, family or friends. Banker considers this as "patient capital", money that will be repaid later when our business profits increases. Shree have arranged 3,25,000 from her 4 colleagues.
- 2. Business Incubators:** -These are called as accelerators of Indian economy, focus on the high-tech sector by providing support for new businesses in various stages of development. Charitha has approached her college (from where she have done her graduation degree) incubation cell named RISE (Research Innovation & Startup Entrepreneurship Cell). She has submitted the proposal to cell and finally

got approval after 9 days and received grant of 3,45,000 on some terms and conditions.

3. P2P Lending: -It enables individuals to obtain loans directly from other individuals, cutting out the financial institutions as the intermediary. Earlier Charitha face several problems in arranging funds through P2P lending platform. Shree colleagues guide Charitha regarding formalities and procedure to get funds raise through this platform. Finally she got 1,25,000 from Lending kart & 1,40,000 from Paisa Dukaan.

4. Loan under PMMY: - Under Micro Units and Development & Refinance Agency (MUDRA) Yojna, PMMY provides loans to small business houses to meet their financial necessities. Shree approached Punjab National Bank for this loan and submit all the documents and expansion plan to bank. Officials review their plan and got satisfied with their plan and grant amount of 1,55,000 under 'Kishor Plan'.