



Against All Odds



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Abstract

A successful woman entrepreneur, Ms. Vrinda Navare has established 'Vrinda's Bakes & Fast Food' in 1993 initially with manufacturing of bakery products only. Later on in the year 1996, fast food items were added in product basket as a need of the hour. At present, the firm's turnover is Rs. 90 lakhs with 15 full-time and 30 part-time workers. Currently the firm has 75+ products. Several types of bakery products, several varieties of snacks ranging from Rs. 5 to Rs. 25 categories and value for money mini lunches in the range Rs.15 to Rs. 30. Now the firm has also started a special unit of 'Beverage Products' with substantial footfall in its initial stage. Present case deals with the Entrepreneurial and Startup Challenges and strategic solutions.

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1. Introduction

Vrinda Makarand Navarre had started her enterprise named as "Vrinda's Bakes and Fast Food" in the year 1993. She had completed one-year vocational course in Bakery and Confectionery from Food Craft Institute, Pune after passing XII Science from Garware College, Pune. She got married at 18½ years of age to Dr. Makarand S. Navare in 1985. He was a dentist. Her family was well educated. Both her parents are doctors who had their maternity home in MIDC area of Pimpri Chinchwad. Her Father-in-law was a famous Marathi writer-dramatist Shri S. N. Navarre. Her son, Shantanu was born in the year 1986. Vrinda had consciously decided to do craftsmanship course in bakery and confectionary because she did not want to follow mainstream education. Consciously/unconsciously, she had at the back of her mind that such practical training course may help her someday. She also had a passion for cooking and baking from childhood.

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Life was a dream with her husband Makarand until 1990 till he was diagnosed with a brain tumor. Then hell followed 2 years of rigorous treatment and despair. In the end, Makarand lost the battle to his illness in 1992 and Vrinda was widowed at the peak of her youth at 27 years and her son was only 5 years old.

Problems

There was pressure on her to get remarried from parents and in-laws, friends, and relatives. But the catch was that her son was to be left in the custody of her in-laws. In no way, Vrinda was ready to take that option. She decided that being economically independent and strong only would keep them together. There was not much support and the near and dear ones were very skeptical about that.

Corredor & Ruiz (2011), De Silva (2017), the task was humongous because Vrinda was just a housewife then armed with nothing but a vocational bakery course, without experience in the field and very little insurance money from her husband. But her father thought that the need of the hour was to give her emotional support by accepting her idea of starting up a bakery production unit. But he made it tough for her. He was a strict disciplinarian. A specific time limit of 6 months was given to Vrinda by her father to prove to him that each day she was progressing towards the dream by taking orders from home and manufacturing in the small domestic electric oven that she had taken with her as part of a wedding gift.

2. Materials and Methods

The present case study is analyzed using a paraphrase descriptively. The interview method is applied in this article.

3. Results and Discussions

Vrinda immediately shifted back to Pune after Makarand's demise and started getting down to work. She immediately put up a small advertisement in the local paper saying that birthday cake orders would be accepted. She called up her friends and neighbors and told them that she had started a baking business from home. Very slowly orders started trickling in. But in her free time, she always kept practicing and costing new recipes and analyzing them.

Albrecht & Devlieger (1999), Connell (1993), it was around Diwali time that a Corporation from Pimpri Chinchwad area was holding an exhibition of products made by housewives. Vrinda participated since she had done this professional course. She outshone the others and her little stall of cakes, pastries, and baked snacks pulled a lot of crowd for the 5 days of the exhibition.

Gaining confidence on the 1st day of the exhibition, she immediately printed handbills and visiting cards and started distributing them. After and during the exhibition she got enormous orders and her father realized that she would no longer be able to operate from the domestic oven and agreed to rent her his outhouse. So father and daughter had a brainstorming session and decided to go professional. That's how Vrinda's journey/ venture took off from being a domestic baker to an entrepreneur.

Therefore, now she decided to go to her Alma Mater and meet her teachers from where she did her bakery and confectionery course. There she met her sir Mr. Pusegaonkar whom she asked for professional help and consultancy. But Mr. Pusegaonkar was not able to help her as he was tied up in a consultancy already. The other teachers gave her fancy and expensive ideas of putting up her set up. Hochschild (2004), Maria (1972), but she did not have any capital, and such a big investment was scary at that stage. So she wanted to put up a wood-fired oven which would be economical to build and operate and also where she did not have to depend on the erratic electricity supply of those times.

Mr. Pusegaonkar gave the phone number of a person who was his colleague and had set up such a baking unit. It was Mr. J. E. Desai of Lucky Bakery back then in 1985, now known as Hott and Super Hott in Camp area of Pune India. Her father and Vrinda together approached Mr. J. E. Desai and he agreed to give her consultancy and she started training in his setup along with the workers. The next test Mr. Desai took was to hand over to her a bag of 6 cakes and asked to go selling it shop to shop in the market of Pimpri Chinchwad. Stevenson (1986), thinking it not a challenge and a task she gladly picked up the bag and the next day sold all the cakes. It took her many hours to do it.

The day after when she went back, he said to her, “very good, you have done well but you cannot survive by selling 6 cakes but you have to sell 60 cakes. So are you up for the challenge?” She gladly accepted. Vrinda proved her efforts at every task.

Later with the help of Mr. Desai, a wood-fired oven was constructed at Rs.18000/- and he opposed buying heavy machinery and equipment until she settled. Since he himself had started a bakery with an investment of Rs. 4000/- and few stone tables.

In 2 months, the production facility was ready and trial rounds started with the help of 1 professional baker and 4-5 needy ladies from the neighborhood. Loading the firewood in the oven was a man’s job. Came opening day and her friends and relatives cheered her on. But it was the start of all problems.

Problem No. 1:

Wood fired oven runs for 24 hours a day. It cannot be stopped as if it cools down; it requires more wood for restarting. Her oven was 35 trays capacity (2 feet × 15-inch tray size) and normal baking time is 30 minutes. So even running the 1st shift of 10 hours would mean 35 trays × 10 hours = 700 trays of baked material. This was a huge amount of baked products and where was she going to sell it?

She rang up the consultant and asked him that, “why did we build such a big oven and where and how am I going to sell the produce.?” He laughed and said production is only 10% of the battle, sales are 90%. So your battle starts now. Don’t waste time go into the market, undercut other bakery rates in price, give material for free if you have to but don’t slow down production.

Problem No. 2:

Vrinda had no funds for any professional packaging of the products or even a proper salesman. She had to go in the market herself with a small two-wheeler with cyclostyled hand wrote price list. Later her father offered his Maruti 800 car as he saw the sheer quantity that she had to sell. Initially, when she approached the shopkeepers, she found that there are 3 types of shopkeepers. She also found a strategy to tackle them.

Type A – The No-Nonsense Businessman:

Who will not go out of his way to help unless there is some money in it for him and mostly sticks to reputed brands?
Strategy: She convinced them by cutting down the price and gave them bigger margins, free samples and credit period up to sales. She also offered a return policy. As a result, many people agreed.

Type B – The Sleazy Shopkeeper:

Who didn’t look at the products but looked at her & showed her as if he is doing her a favor by buying from her and expected favors in return.

Strategy: She either avoided them completely or took her workers along with her for safety.

Type C – The Very Helpful:

This is one who goes out of the way, praises her to skies and helps her.

Strategy: This type of shopkeepers was most difficult to handle. A female is always wary when somebody is extremely nice to her as she does not know the true intentions of the person. Thus these were the most difficult to handle as some of them even offered to help her.

This phase of her life lasted for 2 years. She reached to Break Even Point in the very first month and made some profits. She opened an account in Janata Sahakari Bank. In the course of 2 years, she had saved up some money and bought a second-hand bread slicer and a cake mixer and lots of small equipment.

Next phase of her journey started:

She comes to Talwalkar gym in Pune F.C. road from Chinchwad to exercise as this is her only emotional outlet. She sees the difference between Pune business and Pimpri Chinchwad business and decides to step into the Pune market.

She tried to approach famous shopkeepers like Khauwale Patankar, Sohrab bakery in Pune camp who gave her good business. Bringing the material in bags by bus herself restricted her to serve not more than two shops. Also at the back of her mind is a calculation. The retailers used to charge a 30% margin whereas she would get only 10%. The risk was totally hers because unsold material would be returned by the retailer.

So the seed of a retail outlet was sown in her mind because she felt why, should I not make the 30% which goes to the retailer. Her parents agreed and immediately appointed her brother to run a small shop outside the bakery manufacturing unit. The standalone shop did well so she started looking for a place in Pune. She takes stock of cash in hand. Her father-in-law, her father, and her friends loan her some money and together with her saving she has Rs. 6 lakhs. In this budget no main road shop was possible. So she buys a shop in the inside of Patil Plaza a complex with more than 200 shops and offices.

Next 2 months go in decorating the shop and with a loan from Janata Sahakari Bank, she invests in a tempo. Thus begins a new era in the business. In those days octroi was leviable in Pune. So after paying taxes, a tempo driver and petrol she finds that it is not economically viable. So she sets about looking for more retail space along the route from Chinchwad to Sarasbaug, Pune in order to cover the overheads.

She comes across two popular shops namely Super Shoppe on Fergusson College Road and Grahak Peth on Tilak Road, Pune. Grahak Peth being a social organization is run by a board of directors. She was asked to apply and the matter was put forward in the board meeting and after two months the proposal for a construction of a small kiosk in the Verandah (passage) of their departmental stores was approved purely because Mr. Suryakant Pathak the CEO approved of the products.

In return, Grahak Peth made an agreement with her to give them commission, keep the quality and quantity standard, be courteous to the consumer, and not to claim the property as her own ever in the future. Super Shoppe was a private entrepreneur owned by Mr. Tanna. He gave her tablespace.

Problem No. 3: Can't survive on bakery products alone.

After doing a small market survey by way of chitchatting with customers, students, and across the section of the society, she discovers that there is a shortage of freshly made snacks and people prefer savory items more than sweet items. The bakery had only one snack in the form of vegetarian puffs. Then she approached her consultant who told her three guidelines:-

- 1) Make a product with good ingredients and good quality.
- 2) Make products which nobody else makes thus you will have no competition.
- 3) Sell it cheaper than the market.

Theoretically, sounded perfect but practically difficult. So the quest for these types of products started. To name a few Chutney rolls, Spring Rolls (Indianised), Irani Samosas, tweaking of Chinese products that are making of Manchurian Rolls, Schezwan Rolls, Russian Salad rolls etc.

Because of the Economic boom, McDonald's and Smoking Joes had reached India and were doing well in 1996. So she bought their burger and pizza, deconstructed them, analyzed them and reconstructed them with Indian tastes. At that time she sold it for 1/3 of the MNC price.

Huge success followed. So this brings about the next problem. All these snacks are made in Chinchwad and sold in Pune. So.....

Problem No.1: By the time they come from Chinchwad to Pune they would get cold.

Problem No.2: Because of the quantity multiple trips had to be done.

Problem No.3: Transportation cost and octroi.

Problem No.4: Forecasting the amount of sale of products. Because sometimes there would be a short supply of a particular product on a certain day and sometimes there would be huge quantity left over.

So the need of the hour was to manufacture partly in Pune. She started looking for space and she was extremely lucky to be able to rent a closed down eatery just behind her existing Grahak Peth counter. Thus snacks started being manufactured in Pune and Bakery products in Chinchwad. The next two years were very successful both financially and businesswise. But Vrinda was not happy. She worked harder, saved harder kept financial discipline and priorities returned people's loans and dreamt big.

Turning Point 1

One day the old structure opposite her rental kitchen was being demolished. She ran to the builder the very next day. He quoted an amount which was looking impossible. That when she thought of the phrase (THE IMPOSSIBLE WE DO NOW. MIRACLES TAKE LITTLE LONGER). Not to be deterred, she approached the builder the next day and told him will you exchange my Patil Plaza shop for your new shop plus little extra money. He said, I will help you sell your shop but this is the price for my shop. Luckily the deal went through smoothly. The Patil Plaza shop was sold and the new shop was booked under construction.

Proudly she invited her consultant to see her new shop. He commented, have you bought a railway compartment because the dimensions were 7 feet wide by 29 feet depth. Not to be put down by this set back she started selling hot and fresh snacks like Vadapavs, Pavbhaji, Parathas etc. in order not to compete with herself at Grahak Peth. Success follows –

Turning Point 2

The adjacent shop came up for sale. She was like a woman possessed. She ran to the bank from the Chinchwad branch to head office to Tilak Road branch and got her loan approved. There were technical errors in the document. She even paid more for square footage which was not existent because she wanted the shop next door badly. This shop was 10 feet wide × 29 feet depth. Now she had comfortable space of 17 feet wide × 29 feet depth plus a mezzanine. Boldly she ventured into sitting space for the snack bar and it soon became a great hangout for college kids. Soon she bought one more shop at DSK Chintamani, Pune. This was her second big mistake in life because the shop was again in a mall and somehow malls in Pune had not taken off.

The big blows:

- a) Comes the year 2002. Her parents decided to sell off Chinchwad property where her production unit was operating and settle in Pune. All bakery manufacturing stops and she is forced to buy burger buns, rolls, puffs from the Lucky bakery. Her production comes down as she can manufacture only snacks.
- b) Grahak Peth decides to demolish and rebuild. Therefore, 70% of her sales are wiped out. Saddled with huge installments she is back in trouble. She thinks to herself when the “Going Gets Tough the Tough Get Going”.

She starts cooking in the kitchen herself as she can no longer afford a cook and starts Thalīs for Rs. 25/- at her sit-down restaurant. Also takes catering orders and goes herself to execute them, also started selling Poli-bhaji.

Turning Point 3

After 2 years of struggle, Grahak Peth reopens and gives her a bigger and better counter space. Once again business booms but the problem of not being able to bake persists. She once again consults, Mr. J. E. Desai of Lucky Bakery who advises her “Every problem has a solution. FIND IT”. However, he informs her 2 – 3 bakeries in Pune have started gas ovens Why don't you try it? She is impressed with the gas oven and buys one. But there is no space for baking thus reluctantly she closes down the sit-down eatery and instead puts up bakery retail counter to cover up the deficit of revenue. Things go smooth but profits are not very high. There is restlessness for cash. At this point, she starts relaxing a little sells the DSK shop for a pittance and applies for a home loan. By now even the banks respect her because even in the worse times she did not default on an installment. The satisfaction of going alone is great when she buys a 2 bedroom house in posh locality of Sadashiv Peth, Pune. The next jolt ... the world economy is in shambles....

Peoples' spending power comes down. Inflation is on a high. The natural thing would be for her to raise the prices of her products. She decides to do the opposite. She starts scientific research on cutting costs through fuel and oil saving with no compromise on quality. She discovers that the more you fry the lesser the costs. She takes the most common product in the market namely Vadapav, deconstructs it, reconstructs it and against the advice of everybody decides to sell the Vadapav at Rs.5/-.

Huge Success follows:

Footfalls increase 10 times. Thus the economic depression worked to her favor. In order to keep ahead of copycats, she had to invent new products in the Rs. 5 – Rs.10 range regularly.

The builder cannot sell his basement to anybody else except her as the entrance is supposed to be connected from her shop. So although she doesn't need it much she buys it from him as he helped her in the past and she wants to return the favor.

The Icing on the Cake: Personal life

Shantanu finished his masters in dentistry. They both take a holiday abroad. Vrinda takes her first holiday in 20 years. In the following 2 years, he gets married to a dentist named Pradnya. Now the question in her mind is – I can expand, and should I expand but for whom? No family is going to take over the business.

Fate dangles a lollipop:

Suyash Classes which is directly behind her shop comes up for sale. It is going to increase her production capacity to double and also connect her front property to her back property which will bring up the value of her property. So now she has 2 Front Shops + 2 Back Shops + 1 Basement + 1 Huge Mezzanine.

Now she has financial security even if she rents this space out as she can live comfortably. But she realizes that growth is the only way to success. Without growth there is stagnation and the business dies. But Vrinda is an opportunist. So when a shop came up for rent near Hatti Ganapati, Narayan Peth, Pune which is known as the Khaugalli of Pune. She immediately rang up the owner who agreed to meet her that evening. The optimist, she is; she had carried her checkbook along in her purse. The owner is impressed by her and agrees to rent the shop to her. She doesn't even bargain with him and writes out a cheque for him. Somebody comments – Why did you not bargain with him? So she says To me, it is worth more than a diamond. She had always wanted to establish in the area because it is close to her just 1 km away. The customer set is totally different. The shop has 2 shutters means more display space and selling space and more important than that it is just opposite her patron God.

So she knew she would succeed here come what may. At the new shop sales were satisfactory but watching the market around her, she felt that there is more demand for beverage than the food and the hotshot item. There was Thick Cold Coffee. Once again she deconstructed it, reconstructed it and sold it for half the price i.e. Rs. 10/-. Three months saw the rise when she had to buy 5 deep freezers and proudly she marches on remembering the famous line from “Gone with the wind Tomorrow is another day”.

Today, she can afford the things she would not dream of. But her two main loves in life remain her business and her physical fitness. She has been awarded many awards along the way the most prestigious award being FICCI (FLO) Pune Chapter, Rotary Award, Entrepreneurs International Woman Entrepreneur of the Year Award, Brahmin Vyavasahik Mitramandal Award etc.

Besides this many write-ups have come in the newspapers and magazines telling her story. Some of her fiercest enemies would try and put her down by calling her a Wadewalli. But she proudly says, “Better to be the best Wadewalli in town than the Worst Restaurant in town”.

4. Conclusion

This case deals with the Entrepreneurial and Startup Challenges and Strategic Solutions. One can learn, understand and successfully implement the disciplinary actions in their personal and professional life with strong determination. It also helps to analyze the changing business situations leading to rising and falls in business revenues.

Questions:

- 1) Carry out SWOT Analysis in points.
- 2) In the current scenario, how Vrinda should expand her existing business? Innovative, Original and Creative expansion ideas are welcome.
- 3) Suggest suitable Marketing Plan and Marketing Strategy for new products.
- 4) What would be the probability to get success in launching new beverage products?

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The author(s) have a responsibility for the conception and design of the study. The author(s) have approved the final article.



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