

A Case on - Delicious Catering Services

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Abstract

This case is about a very young entrepreneur, Gaurav Singh, 25 years of age. Gaurav was a management Graduate who always had entrepreneurial orientation and an intense urge towards business and growth in life. He started showing his entrepreneurial talent when he was in class tenth. He started his career as a distributor for 'Ayurvedic Life' by taking a franchisee in his first year of graduation in 2011 based at Indore, Madhya Pradesh, India. In due course of time he became the manager of Manmeet Garden in 2013. In 2015, he took up the contract of canteen in the institute where he was doing his post graduation. Gaurav had also planned a mobile restaurant on truck targeting students mainly at two prime locations of the city with a catchy name, "Smart Restaurant" and a menu as per preference of majority of youth in Indore city. Apart from this he also had big expansion plans for near future. This case is focusing on entrepreneurial talent of Gaurav and challenges being faced by him in establishing his business and expansion plans so as to provide a practical exposure to the students about entrepreneurship and its challenges. The name of the organizations and their officials has been disguised so as to avoid any conflict.

Introduction

Gaurav Singh, 25, a management graduate from a renowned management institute in Central India, hailed from a small town but he had entrepreneurial orientation and always had an urge towards business and growth in life. This orientation was in his blood as his father was a versatile person and was involved in multiple areas like LIC, agricultural sector, Amway and was also actively associated with Lions Club as a zone chair person. Though his mother was a housewife, she was a self motivated and a spiritual lady who always stood by the family.

Gaurav, at a very young age became independent and could earn his pocket money when he was in class 10th. In his high school he started the business of mobile recharging for which he did not ask his family for any support. He did not give much of the credit to luck but he truly stood at the right time at the right place to confront his destiny.

Road Ahead

He started his career as a distributor for 'Ayurvedic Life' by taking a franchisee in his first year of graduation in 2011. Ayurvedic Life was a company dealing in health and nutrition based products. After taking up the distributorship he used to meet elite class people for creating awareness about health and nutrition and promoting the products of Ayurvedic Life. In due course of time he happened to meet Manmeet Singh who was the owner of Manmeet Garden, a restaurant in a prime location of Indore city. After few interactions with Gaurav, Manmeet offered a hut in the garden to Gaurav in September 2013 for opening up a health club in the morning. Gaurav was managing the Ayurvedic Life Club in the morning from 7:00 am to 9:30 am. After 4 months of opening up the Ayurvedic Life Club in the garden, the manager of Manmeet Garden suddenly left the restaurant. As Manmeet was very impressed with the

managerial skills of Gaurav and zeal to do something apart from studies, he offered the manager's position to Gaurav.

For Gaurav this offer was very lucrative with handsome salary but he was apprehensive because he was not having any exposure to this type of job. As Gaurav was very open to new experiences and was desperate to become independent in a very early age, he took this opportunity as a challenge.

After joining Manmeet Garden, initially he faced lots of difficulties in managing the garden where 52 employees were working under him. But gradually he could manage the things with his hard work and perseverance. Within few days of joining, he got his first big assignment of managing a marriage party of Manmeet's daughter in a budget of 1.5 crore with 80 lakhs for food. Earlier Manmeet thought to organise this party on other venue but it was crossing his budget with huge amount of money. Relying on the capabilities of Gaurav, Manmeet assigned him this responsibility to organise this party with minimum cost. Gaurav visited other prominent marriage gardens of the city to get an idea about the facilities and arrangements provided by other marriage gardens and the cost involved in those arrangements. At venue other than their own garden, the expenditure was reaching up to Rs. 2 crores including food (60-70 Lakhs) and garden rent (30 Lakhs). Looking at the strength of invitees and the budget, he planned to organise the event at their own garden and divided the invitees in two different groups on two different days. One day for friend circle and business colleagues and the other for family members and close relatives of both bride and groom. With this planning Gaurav helped Manmeet to save Rs. 30,00,000.

He worked for another 3-4 months and completed his graduation simultaneously by the end of May 2014. In the month of July 2014 he took admission for Master of Business Administration in the same renowned institute of the city. He then had to leave his job due to time boundation of his institute but continued with Ayurvedic Life club. Although, he left his job, he planned up his next investment as he was having a progressive mindset. While working as manager of Manmeet Garden, he gained interest in having business in food sector. So, he did a lot of brainstorming and discussion with his classmates and then came up with the idea of mobile food truck with an initial investment of Rs. 2 lacs. In partnership with one of his friends, he ordered for manufacturing of a customized food truck.

Meanwhile he went to a one week college trip with his friends and few faculty members during February 2015. In an informal discussion with faculty members during this trip, he found that students and faculty members were not satisfied with the services of the institute's canteen. As he had a tendency to scan the environment and grab opportunities, a thought came to his mind that why not he can open up a canteen in his own institute. Immediately after

returning back from the trip, he met faculty coordinator of canteen and offered his services to run a canteen in the institute. The faculty club coordinator arranged a meeting with the Director. In the meeting Director asked him that why and how she should rely that he can run the canteen successfully? Gaurav waited for a while and started sharing his experiences and plans for institute's canteen. The Director was very impressed with his presentation and decided to give him the opportunity on trail basis for three months in August 2015.

After one week of opening up of canteen, Delicious Catering Services, he got an order from institute itself for faculty meetings which he could manage successfully and faculty members were very satisfied with the quality and taste of food items provided by him. Gradually he started receiving orders for other celebrations and official occasions of the institute. But for him it was an uphill struggle as hardly there used to be footfall in canteen as its infrastructure, ambience, availability and quality of food had always been a problem for students and faculty. In the last week of August, the new batch of students joined and they started visiting canteen. With their positive feedback, the senior students also started coming to canteen instead of going to food stalls outside the institute's premises. Through word of mouth publicity, Gaurav could manage to get orders from students and faculty members as well. Although he hired two staff members for cooking and servicing, initially he faced problems in completing the orders but with his zeal and enthusiasm he could manage it properly.

As compared to out of campus food joints his major challenge was that there was time boundation of institute and his sale was dependent on working days and hours of the institute. Also the sale was limited to the students, faculty members and staff members of the institute and no outsider was allowed to come in canteen. With these existing challenges maintaining the salary of canteen staff was also difficult specially during student's vacation.

As such there was no direct competition he had from other restaurants in that area, but the small food corners near the campus who offered smoking facility and other unsafe stuff attracted the crowd to some extent. Those students who were addicted to such stuff were getting diverted to those food corners. The location also was not supportive as it was on the back side of the institute which was a hurdle in attracting the current generation. But, Running an in campus canteen helped him in getting opportunities like holding up food stalls in few of the major events of the institute.

Future Plans

Gaurav had future plan to open up a garden restaurant in his home town, Satna, Madhya Pradesh, India. For this purpose he bought a plot of 3 acres and planned up the outlay. Furthermore he planned up the investment in such a way that

he 50% would be sourced via loan and remaining 50% would be supported by his family.

Gaurav also has expansion plans of taking up canteen contract of other educational institutes and business organizations in nearby areas which are having ample of crowd. The food truck that he had planned was also targeting students mainly and so Gaurav had chosen two such locations in different areas of the city which is accessible to most of the students. The menu he decided to keep in this truck was as per preference of majority of youth in Indore city like Chinese, Italian, Mocktails and Juices. A catchy name, “Smart Restaurant” was decided for this mobile restaurant on truck.

He looked back at 2010, close to awe and said “I often wonder how I did it.” Certainly this credit should not be given to his luck rather it was fire in his belly made him stand at the right time at the right place.

Teaching Notes:

Case Synopsis: This case is about Gaurav Singh, who was a very young entrepreneur. Gaurav was a management Graduate who always had entrepreneurial orientation and an intense urge towards business and growth in life. This case is emphasizing on challenges being faced by him in establishing his business and expansion plans which will provide a practical exposure to the students about entrepreneurship and its challenges. The name of the organizations and their officials has been disguised so as to avoid any conflict.

Learning Objectives: The case attempts to provide an insight into the entrepreneurial talent of Gaurav and challenges being faced by him in establishing his business and expansion plans so as to provide a practical exposure to the students about entrepreneurship and its challenges. After analyzing the case study, students will be able to understand the entrepreneurial qualities required to become an entrepreneur. They will also be able understand that exploiting opportunities is major aspect to become successful in life. Students will also understand the business expansion strategies.

Positioning The Case:

This case study is related to Entrepreneurship and Marketing Specialization. It can be discussed with the students of Advertising also.

Suggested Readings:

1. Trehan, Alpina (2012) “Entrepreneurship”; Kogent Learning Solutions Incorporation. New Delhi
2. Kuratko, Donald F. (2013). “Entrepreneurship:An Introduction” Cengage Learning, New Delhi

3. Philip Kotler, Kelvin Lane, Keller, Abraham Koshi, Mithilesh Jha, Principles of Marketing Management, South Asian Perspective, Pearson Education, 14th Edition 2011.
4. Philip Kotler and Gary Armstrong “Principles of Marketing”, New Delhi, Prentice Hall of India, 15th Edition, 2013.

Assignment Questions:

1. In your opinion, what were the significant determinants in the creation of successful entrepreneurial career of Gaurav?
2. Which factors could further motivate Gaurav for growth?
3. It is said that ‘Ambition is the lever of all motives’. Do you agree with this in case of Gaurav?
4. Had you been Gaurav, what would be your choice of enterprise and why? Also state what would be your future plans?

Class Strategy:

The students are expected to have basic understanding of Marketing, Business Environment, Entrepreneurship, Advertising, Promotion, Business Expansion Strategies, Market Analysis and business analysis.

Entrepreneurial qualities of Gaurav can be understood and analysed to understand the factors contributing to his inclination towards establishing his own startup.

This case study can be discussed with the topics like entrepreneurship, business analysis, marketing and advertising, business expansion, resource management, market analysis and business strategies.

The students can refer to books, journals, various case studies from business world to analyze this case study.

Class Discussion

This case study can be discussed with the topics like entrepreneurship, business analysis, marketing and advertising, business expansion, resource management, market analysis and business strategies.

The case should be administered to the students who are required to analyze the case on an individual basis. In the second stage groups of three to four students need to be formed and the case should be analyzed and discussed at the group level. In the third stage the case should be presented by each group and be open for inter group discussion.