



Summer Internship at Kudumbashree
Final Report
On
‘Improving Café Kudumbashree Brand’

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Abstract

Kudumbashree is the state poverty eradication mission initiated by the Government of Kerala for de rooting the absolute poverty from the state. It is a holistic, participatory, women oriented innovative poverty reduction which follows a process approach rather than a project approach. Kudumbashree has become a brand of itself by intervening in food sector, creating a network of food chains called Cafe Kudumbashree. The café Kudumbashree in urban areas are catering to the lower and upper middle class public. It specializes in ethnic Kerala cuisine, prepared by women just as they would prepare at home. Promotion of canteen and catering units and ethnic food enabled the mission to involve units to take part in food fests which has brought laurels at both national and international level.

Understanding the various business units under Café Kudumbashree and its business model was one of the key task. Our study was also focused on brand perception and market penetration along with identification of new markets and improvement of the existing consumer base of Kudumbashree. The Thiruvananthapuram district of Kerala State was selected for the study of Kudumbashree canteens & food fests. The study further focused on preparing a feasible and implementable business model for the “snack stall network with mother kitchen” and the extension of canteen business through home delivering using tiffin systems. Various recommendations to improve the brand, tapping new markets and helping generate additional income to women entrepreneurs have been suggested in the report.

Introduction

“Kudumbashree” Meaning Prosperity of the family, is the state poverty eradication mission initiated by the Government of Kerala for de rooting the absolute poverty from the state. It is a holistic, participatory, women oriented innovative poverty reduction which follows a process approach rather than a project approach. 'Kudumbashree' envisages prosperity of the poor families in the state with multiple programmes that will provide them information, create awareness, build up their capability and capacity, enhance their confidence and show them opportunity for better social security and empower them physically, socially, economically and politically. Thus, it works for eradicating the poverty by enhancing the capabilities and entitlements. Empowering poor women provides them the opportunities for greater access to knowledge, skills and resources. Gender equality and empowerment of women is accepted universally as an important aspect of development.

Introduction to Café Kudumbashree

It is a sub brand of Kudumbashree which is trying to mark a change in food sector and providing entrepreneurship opportunities to poor women from Kudumbashree families. Regular training inputs and monetary as well as technical supports are provided by Kudumbashree mission office. It has established a strong brand in rural as well as in urban areas by involving in food fests at both national and international level.

It specializes in ethnic Kerala cuisine, prepared by women just as they would prepare at home. Promotion of canteen and catering units and ethnic food enabled the mission to involve units to take part in food fests which is held in association with leading newspaper and other departments across the state. It gives customers a single platform to taste and understand the various cuisines of each region of Kerala.

Project Title:

Improving the Café Kudumbashree Brand and its associated businesses.

Scope:

Kudumbashree has made a brand of itself by intervening in food sector, creating a network of food chains called Cafe Kudumbashree. The standards of cafe Kudumbashree lies at various levels. There are Kudumbashree hotels in villages catering to the public. The cafe Kudumbashree in urban areas are catering to the lower and upper middle class public. Integrating the cafe Kudumbashree chains and standardization of quality and taste of food can be a way of improving the Cafe Kudumbashree Brand. We need to strategically position the Cafe Kudumbashree. It is important to understand more about the customers.

Deliverables:

1. Undertake a market research in to Cafe Kudumbashree.
2. Prepare a business plan to create network of snack stalls in Trivandrum with the help of mother kitchen.
3. Prepare a business plan to create a supply chain network of homely food with focus on distribution (dubbawala).

Project Summary

During the first month of our internship period, we have focused on understanding the various business units under Café Kudumbashree and its business model. Our study was focused on brand perception and market penetration along with identification of new markets and improvement of the existing consumer base of Kudumbashree.

We have conducted In-depth interviews of micro-entrepreneurs both at canteen and food-fest, AIFHRM people and conducted consumer surveys using questionnaire in Likert Scale format at various locations such as Food fests and different canteens in Trivandrum. We completed the survey analysis using tools like excel and SPSS. We also visited some of the competing outlets such as ICH and tried to understand their business model, experiences and limitations. Along with that, we completed literature study about online food delivery system in connection with envisaged “My home my foodie” online portal for home delivery to understand their feasibility and sustainability.

After the survey, the major focus of the project was to prepare feasible and implementable business models for the “Snack stall network with mother kitchen” and the extension of canteen business through home delivery using tiffin system. Economic analysis of the pilot project of installing juice stalls in canteens was also conducted which was found to have positive results.

Survey Methodology

Collection of Survey Data

Two different questionnaires containing 21 questions were prepared each for Café Kudumbashree at Food Fest and Kudumbashree Canteens at two locations. The factors under study were: Awareness, Quality, Variety, Uniqueness, Taste, Price, Service Quality and willingness for availability of home delivery system. At the same time Kudumbashree Canteen survey contained other factors like frequency of food, preferred meal and facilities etc. Both the Surveys contained responses regarding which factor (Quality, Service, Homely Food, Taste, Price and None) the customer associates the brand Kudumbashree with.

Analysis of Collected Data

During the analysis of the questionnaire, some questions were found to be irrelevant as they did not represent the factors as intended due to lack of clarity or different customers perceived them differently. Due to such irregularities, cleaning of data was conducted by removing irrelevant questions or adjusting them accordingly.

Café Kudumbashree Canteens

Kerala is a fast-growing state and people have become very busy in their lives. They understand the significance of healthy and homely cooked foods but these are not readily available at all the places and all the times because of time and choice constraints. With lifestyle disorders forcing more and more people to reel under excess body weight, even relatively younger people are developing joint disorders and knee pain. Excessive weight is associated with a series of health problems, including blood pressure, diabetes, and cardiovascular ailments.

Kudumbashree started canteens during 2003-04 with an objective to improve the existing conditions and created entrepreneurship and employment opportunities for poor women by giving them opportunity to prepare quality homely food at affordable price.

Facts & Findings (survey and in-depth interview)

- a. Women entrepreneurs feel empowered and independent.
- b. They work in cohesion and partnership and shares a good bonding.
- c. There has been significant increase in their monthly income.
- d. Financial and technical support from Kudumbashree mission office.
- e. Staffs of the premises get food at subsidised rate as canteen does not have to bear the amount on space rent, electricity and water connection.
- f. They feel that they are underutilised and have the capacity to manage more no of customers.
- g. Less no of people from outside visits the canteen which depends upon location and place in the premises as well. Real profit comes from the people visiting from outside as they pay market rate.
- h. Less no of new customer's addition. Awareness among the near-by areas needs improvement.
- i. There is no display-board at the main gate which will prompt new customers to visit the canteen
- j. Additional/ special orders for meetings in the premise and near-by offices is a good source of revenue which helps canteen to remain in profit making.
- k. Less no of youths visit the canteen.
- l. Billing facility and variety of food needs improvement.
- m. Menus at snacks are quite limited- just tea and coffee with cakes or biscuits.
- n. Business at weekends and month-ends become low.

Brand Association Study

The study concluded that most people associated Kudumbashree Canteen with Homely food (47 out of 64 people surveyed) while other factors got average rating such as Quality (26/64), Service (29/64) and other factors such as Taste (16/64) and Low Price (22/64) were associated by low number of consumers. Ranking the factors in order: Homely Food, Service, Quality, Low Price and Taste at last.

Quantitative Questions Study

The Quality factor found most positive response at the same time Taste is also highly rated. At the same time, Improvement in taste is also demanded by the customers. It is conflicting to the brand association study in which it got lowest rating. Other positively rated factors are Variety of food available during meals and Service Quality. Price and Uniqueness received average response. It states that Price is low and perceived as on par with market standard. Willingness for requirement of home delivery system is desirable but not essential as most of the customers under study are regular customers who eat at the canteen

In the Canteen Survey, the taste factor had conflicting results. Upon analysing the comments mentioned by the customers it can be stated that people are satisfied with the food quality and the variety of the food availability but the monotony of the food items is an issue as mostly similar food is served every day at the canteen

Table1: Present Marketing Mix of Kudumbashree Canteens

Product	Place	Price	Promotion	People	Process	Physical Evidence
South Indian Meal	Offices & Colleges	Cheap and affordable	Word of mouth	Traditional style and middle aged women	Old service style	Moderate cleanliness and average condition

Source: Field study

Table2: Customer: Segmentation-Targeting and Positioning (STP)

Segmentation	Targeting	Positioning
Homely prepared South Indian meal (FOOD)	Government Servants Middle class people Students/Researchers Shop-keepers	Homely food Cheap and affordable Simple ambience Courteous service

Source: Field study

Table3: Swot Analysis of Kudumbashree Canteens

Strength	Weakness
<ol style="list-style-type: none"> 1. Authentic South Indian meal 2. Capacity of catering to large no of customers 3. Caters to events conducted by government departments. 4. Backed by Government organisation- Kudumbashree 5. Most Reasonable (Cheap) food 6. Tasty South Indian food 	<ol style="list-style-type: none"> 1. Monotony of food items i.e. Lack of varieties 2. Poor and manual billing system 3. Less training for handling orders on phone or online. 4. Less footprint in other markets apart from government sector. 5. Awareness about the location of canteen is poor 6. Old set of tables and chairs and crockery 7. No Marketing activities including feedback mechanism 8. Delay in service at peak time 9. Government department customers count for low profit margins due to discounted price
Opportunities	Threats
<ol style="list-style-type: none"> 1. Expanding at new markets 2. Larger customer base can be tapped using tiffin system. 3. Scope of attracting more no of outside customers. 4. Expanding with the development of new menu (Product Mix) 5. Evening snacks items can be improved and fruit juice and milk shakes can be made available 6. Adopting Promotional Mix Branding Opportunities 	<ol style="list-style-type: none"> 1. New Players in the markets 2. Other players offering similar food with higher variety of items such as Indian Coffee House and other eateries.

Recommendations

Marketing Recommendations

- a. Can utilise frequently held food fests to promote canteen units
- b. Need boards easily visible from the roads in all canteen units to attract outside customers
- c. Engaging the customers on social media through digital marketing team
- d. Use public relation mechanisms: -artist's and photographer's blog, articles in magazines, testimonials of customers
- e. Encouraging the customer to share their experiences
- f. Use other Kudumbashree channels to showcase the presence and increase the visibility.

Other Recommendations

- a. Billing facility should be improved by using billing machine.
- b. More no of canteens to be opened with the help of private sector via CSR.
- c. Additional canteens should be opened in government institutions and educational institutions.
- d. Tiffin system can be introduced to tap the huge potential of this market.
- e. Fruit-juice and milkshakes should be made available.
- f. Menu of evening snacks should be strengthened.

Café Kudumbashree Food Fest

Food fests have given an impetus to the promotion of canteen and catering units. They are conducted in association with leading newspaper and departments across the state. The ethnic delicacies across Kerala are brought on a single platform so that customers can taste and understand the various cuisines familiar in each locality. It has also brought laurels to Kudumbashree on national and international fests and stages.

Facts & Findings (survey and in-depth interview)

- a. Women entrepreneurs get the chance to understand the market, meet people and understand diverse set of customers.
- b. They work in cohesion and partnership with in same unit, but also faces the competition from other Kudumbashree units which gives the confidence to compete in external surroundings.
- c. During the fest, they develop bonding with other units which help them to learn and experience new dishes and grow better as an individual.
- d. Quality checks are done by AIFRHM individual to meet certain set standards.
- e. Selection of units for fest is done by district mission which involves completing certain set conditions and instructions- it is a matter of chance and pride for entrepreneurs to set up the unit at food fests.
- f. 20% of sales go to state mission which provides the space and other activities at fest – if amount is more than Kudumbashree mission spending for space, remaining amount is used for other social activities.
- g. Training facility is provided before coming to fest.
- h. Menu and prices are pre-decided, generally at market rate between Kudumbashree office and food fest units.
- i. Each unit at food fest brings their speciality.
- j. Billing is supported by Micro-enterprise consultants.
- k. 90% of ingredients are pre-prepared by unit members- Masalas and other spices are home prepared.
- l. Open kitchen system and they are able to maintain hygienic standard.
- m. People are not aware about types of foods before coming to fest i.e. more marketing of Kudumbashree units at food fest is needed.
- n. Lack of advertising is clearly visible – No display board about café Kudumbashree at entrance gate of fest – Some people who are not aware of these unit miss the opportunity to try the ethnic quality dishes- Kudumbashree miss prospective customers.
- o. Juice and Shake Stall was among popular attractions at the food fest.

Brand Association Study

This study confirmed that most of the customers associate Kudumbashree Brand with Homely Food (20 out of 47 people surveyed), while the Quality Factor was associated moderately (17/47). Surprisingly, Taste and Ethnic Food only got 14 responses out of 47. Low Price was again found to be least associated factor. Ranking the factors in order: Homely Food, Quality, Ethnic Food/ Taste (tie) and Low Price at last.

Note: Brand Association Study is not very reliable as most of the people in the survey sample were first time customers and so they found it difficult to associate the Kudumbashree Brand with specific factors (as mentioned by many customers in the sample)

Quantitative Questions Study

In this study Taste was most positively rated along with Quality, Variety of food available and Service. Awareness of Brand, Price and Willingness for requirement of home delivery were among least rated factors. Most of the customers were found to be satisfied with the food and responded positively towards recommending to others.

Café Kudumbashree at Food Fest and Kudumbashree Canteens appeal to different consumers but homely food being a factor highly rated in both the studies. The Brand Association Study at Food Fest received less responses compared to Canteen study as most of the customers at Food Fest were first timers.

Recommendations

- a. Need display boards with tag line which should be easily visible at the entrance to attract customers
- b. Engaging the customers on social media through digital marketing team
- c. Use public relation mechanisms: -artist's and photographer's blog, articles in magazines, testimonials of customers
- d. Encouraging the customer to share their experiences
- e. Use other Kudumbashree channels to showcase the presence and increase the visibility of café Kudumbashree at food fest, ex- Canteens can be used to share information about food fest menu and prices.

Kudumbashree catering units

Catering units have a marked their presence in rural areas convincingly but same has not happened in urban areas. One of the prime reason being the different customer base and outlook. Competition in urban areas are quite challenging. We did in-depth interviews to understand the nuisances of catering units of Kudumbashree.

Facts & Findings (in-depth interview)

- a. Women entrepreneurs have successfully made a mark in this sector in rural and semi-urban area.
- b. They get orders from local marriages, functions and government meetings and other rural organisations.
- c. They are involved in catering business for average 8-10 days per month.
- d. They have opened small hotels at their places which is run in the evening to night.
- e. They receive one -time training for 18 days.
- f. Not much competition in rural areas, but not able to complete in urban areas.
- g. Units also get an opportunity to setup stalls in food fests.

Recommendations

- a. Training can be imparted in more regular and course-wise manner.
- b. Word of mouth is sufficient at rural level.
- c. Marketing help is needed to sustain in urban areas.
- d. No need to focus extensively in urban areas

Remarks: - Focus should be on making restaurant units for ethnic dishes sustainable and viable which is a tough task to crack in challenging environment because of risk and partiality factor.

My Home My Foodie- Online portal for food

The readymade/cooked food is a widely-accepted phenomenon now a day. People in city areas prefer food parcels due to increased work participation of men and women and due to their hectic life schedule. Besides, they prefer food outside homes in holidays and weekends. This increasing demand for cooked food and availability of parcels at door steps resulted in mushrooming of café, restaurants, outdoor catering especially in city areas. Even small parcel delivery counters outside hospitals, government offices and schools are common nowadays. But the availability of clean and safe food is a concern alongside.

The demand for homely/ traditional food is high and this is evident in the success of Kudumbashree food fests. The availability of traditional and ethnic delicacies from across the state in a single platform provides opportunity for people to taste the traditional foods of different districts/ religion. The current trend is that almost all the restaurants and hotels have home delivery facilities. Kudumbashree finds it as an opportunity to reach middle class households who prefer quality and hygienic food at their door steps.

Feasibility Analysis of Online Portal for Café Kudumbashree Units

Advantages	Limitations
<ul style="list-style-type: none"> ▪ Increasing demand of home delivery - Big market ▪ Help in finding new customers and markets ▪ Other sectors of Kudumbashree can use the portal ▪ Getting customer feedbacks & complains will be easier. ▪ Many units can solely operate for home delivery ▪ Requires one time investment ▪ Online marketing will be easier ▪ Tracking becomes easy, helps in Timely delivery ▪ Billing is easy, simple and fast ▪ Monitoring and Evaluation will be easy. 	<ul style="list-style-type: none"> ▪ Unsuccessful catering units at urban level ▪ Few Resources at hand ▪ Not standardized menu ▪ Not a single successful restaurant of ethnic dishes under Kudumbashree umbrella. ▪ Inexperienced workforce- Enhanced capacity building and training required. ▪ Not trained in preparing 5-6 items in short time intervals. ▪ Need deep cohesion and partnership among units. ▪ No supply chain system at present ▪ Other players offering similar services- food panda and Swiggy- they can be used at the initial level

Remarks: In the current context, the bases for a successful online portal system are not at all covered. We do not have experience workforce and robust supply chain mechanism to make this a success. First, we need successful restaurants and catering unit at urban level to venture into home delivery. Food fests have certainly given an impetus to the brand and chance for the customers to taste the ethnic homely recipes but these recipes are not commonly and directly available to customers. Kudumbashree will need to give training for enhanced capacity building.

Again, if we are able to do that, then we can use mobile systems to start with by creating a successful supply chain mechanism and moving towards online through third party on line systems such as *food panda* or *swiggy* to minimise the risk. After creating a successful supply chain and good numbers of catering units/restaurants for ethnic homely foods, we should go for adoption of our online portal system.

Tiffin system

Kudumbashree has given a lot of opportunities to its women entrepreneurs and they have been able to make a mark in food sector with homely and quality food with its canteen. They get free space, electricity, water in Government owned premises with help of Kudumbashree mission in exchange of subsidized food for staffs of that premises. They feel that they are underutilized and have the capacity to manage more number of customers. There is a huge market for homely cooked food in Kerala which can be tapped via tiffin system. The existing physical facilities can be utilized more by the team by delivering homely cooked food to customers within 2-3 km range.

Table: Marketing Mix of Tiffin System

Product	Place	Price	Promotion	People	Process	Physical Evidence
Kerala Meal	Offices & Colleges	Cheap and affordable	Word of mouth, Social Media, Pamphlets	Traditional style middle aged women for cooking and packing. Delivery-efficient woman	Old service style	Scooty for delivery, tiffin, mobile set

Why tiffin services?

Hectic lifestyle of people has forced them to go for time saving mechanism such as delivery/parcel system. Home style cooked food has become distant. Health and hygiene consciousness has increased. People need proper nutrition and taste with special flavor of their ethnic foods. Kudumbashree can help the customers with above points by providing Kerala cuisines with variety to their door steps.

Current Market Situation Analysis

- Increasing Need for Tiffin Services since most have come down from their native village to work & study
- Lack of Complete Satisfaction by Competitors
- Competitors Disadvantages-Low Supply Radius, Lack of Hygiene, Lack of Awareness among Consumers about good food Service Quality
- Fragmented Market -Scattered Players
- Largely Unorganized Segment
- Through new players are entering this segment through offerings, but Kudumbashree has made a good brand which can be utilized

Objectives: To be able to provide home cooked quality food for corporate, working professionals and students in Kerala and make Kudumbashree canteen a brand for homely food

- Tap new market for canteen units
- Provide additional income for the existing/new canteen units
- Provide clean and hygienic food to the public
- Capacity Building and Productivity enhancement

Methodology

Identification of Kudumbashree café units: As it offers quality and hygienic food the unit members that will be associated with the project should meet the Café Kudumbashree standards. The unit members should have minimum infrastructure, health cards, FSSAI licenses, education & age as required and should have participated in Kudumbashree food fests. The units at various locations and inside the city limits will be identified so that timely service may be ensured.

Training and capacity building of delivery person: Training will be provided to person on interacting with customers. Hygienic standards, timely delivery, familiarization of orders and book keeping etc. will be considered in the training. Packing training will be needed to existing canteen members.

Development of communication system: Mobile phones will be used for taking the orders. Delivery person will also act as the communication channel at the start of Dubba system. She should be dynamic, extrovert and will work on managing the simple supply chain. Orders can be given on phone or in person. The collection of customer feedback and expectations will be made in person or phone. Mode will be enhanced by upgrading to online portal system once supply chain and proposed system becomes stable.

Development of delivery mechanism: To ensure timely delivery of parcel, young female entrepreneur from the network will be identified and trained. They may be provided two wheelers and mobile phone for the purpose.

Tracking the customer base and collection of feedback: The collection of customer feedback will help in the improvements in the quality of food and delivery mechanisms. This will in turn help to expand the market base and units.

Marketing of activities: The Mission will take initiative for publicity of the concept primarily through pamphlets and word of mouth. Other various media like newspaper ads, social media (face book, what's app), and Kudumbashree website may be utilized. A designated marketing team should consider all marketing activities of Café Kudumbashree brand and associated business.

Monitoring and evaluation: This is one of the key aspect to survive and grow as a unit and firm. The trained resource group of Kudumbashree in the catering sector will be deployed to ensure the quality standards of food and to track customer demand and feedback. In addition to this the service of Kudumbashree Micro Enterprise Consultant will be availed to assess the demanded products, customer preferences, menus offered and feasible locations.

Stages of the implementation

Stage 1 (Pilot):

- Selection of 1 Kudumbashree canteen in Trivandrum for pilot phase.
- 1 female person need to be trained in taking orders on phone and delivery: - She will be a member of the team because she has to handle the order and delivery. Service is the utmost priority and she needs to be responsible for that. She needs to be smart and able to ride 2-wheeler. Another person can be arranged for cleaning the Tiffin on monthly payment basis.

- Specific mobile for taking the order for each unit and book keeping be completed by Kudumbashree canteen unit.
- Twenty 4-boxes Tiffin's to be bought first -- Increase in numbers with the orders. Disposable meal trays with lid of Rs. 10 can be bought for one time customers and charged extra for that.
- Fixing of menu with one day special (ex- Biryani Veg or non-veg) - try to provide variety in food by changing vegetables.
- Daily and monthly price fixation – Advance need to be paid while going for monthly. Limit on timings for cancellation- 4 hrs before Lunch or Dinner.
- Marketing activities through word of mouth, social media and pamphlets within 2-3 km. Preparation of Leaflet or pamphlet by experienced individuals having tag lines such as “Live healthy with homely foods” or “Healthy is homely too” etc., fixed rates, type of food offered, service quality
- Order details to be maintained daily. Book keeping is the key to successful enterprise. Smart and easy techniques should be shared by Kudumbashree experienced professional.

Pricing Strategy

Price and menu needs to be fixed with the help of Kudumbashree team, competitively with the market standards. One time customers to be charged extra and more for special menu. Monthly customers will not be charged for special menu and will be charged less than one time customers. Monthly customers will have the option of not taking food on some days but they must inform before 4 hrs of the stipulated time. They will not be charged for that meal.

Example for reference:

Lunch – Rice, Sambhar, Chutney, 1 vegetable,	Rs. 60/ daily
Non-veg - Rice, Sambhar, Chutney, (fish, Chicken)	Rs.75/ daily
Special Lunch (Ex- Veg Biryani, Raita, Papad)	Rs.70/daily
Special Lunch (Ex- Non Veg Biryani, Raita , papad)	Rs.85/daily
Monthly Lunch-Veg	(Rs.55 *30) Rs.1650/monthly
Monthly Lunch-Non-veg	(Rs.70 *30) Rs.2100/monthly
Monthly Lunch- Mix	(Rs.65*30) Rs.1950/monthly

Financial Analysis:

SI No	Item	Description	Unit Cost	Total cost
1	Scooty	Second hand – good condition	20000	20000
2	Tiffin Box	Twenty 4-box tiffin of good quality	300	6000
3	Marketing Activities	Pamphlet preparation, distribution & other activities	5000	5000
	Total Fixed Cost			31000

Fixed Cost – Rs.31000

Taking conservative Approach: -

Average Revenue per tiffin – Rs.60
Average variable cost of Lunch – Rs.40
Contribution margin – Rs.20

Break Even point: - $31000/20 = 1550$ units.

If we want to have breakeven in 2 months, daily lunches to be sold-- $1550/60 = 25.83 = 26$

Assuming, we can take 30 tiffin orders daily---- Yearly calculation

Contribution margin = $30 * (60-40) * 365$	= Rs.219000
Fixed costs: - Scooty -	= Rs. (10000)
[After 1 year market value will be of 10000, taking depreciation of 10000]	
Tiffin box- $60 * 300$no of tiffins- 60...fully depreciated in a year	= Rs.(18000)
Marketing activities	= Rs.(5000)

Net Profit = Rs. 1,86,000

Note: Canteen units will also take the advance for monthly subscriptions which will take care of fixed cost quite easily in 1st month only.

Stage 2 (Vertical Expansion)

- Additional canteens should be opened in government institutions, educational institutions and private organizations to expand the presence and have more areas of operation.
- Tiffin system can be introduced to more number of canteens in Trivandrum as well as different districts to cater more people.
- If Units are not able to open canteens in premises nearby our target groups such as students, office workers and there is a huge demand for tiffin, Kudumbashree can just help them set up the catering unit which will solely focus on tiffin system in that area in small space.

Stage 3 (Horizontal Expansion)

- Different types of menus with differential prices to be added. Ex- Kudumbashree special Lunch, North Indian Lunch etc. bringing different types of varieties and moving towards more customization.
- There will be provision of having a small central unit with some specific number such as 8888 7777 to take orders on behalf of all units which will redirect the order to the nearest canteen or tiffin unit for delivery. It will help in keeping Kudumbashree brand intact having customers to call one number in the region. In future, it will also help in moving towards online portal system as necessary supply chain system will be placed efficiently.

Intervention Plan- Introduction of Juice and Milkshakes in Canteen

Pilot:

- Selection of 1 or 2 Kudumbashree canteen/s in Trivandrum for pilot phase.
- Units have already got training in preparation of Juices & Milkshakes. If no member is quite confident, re-training of 1-2 days to 1 person.
- 1 Refrigerator, 1 juicer-mixer-cum grinder and other utensils need to be bought.
- Fixing of prices can be done with the help of Kudumbashree team. It should be little less than food fest charges.
- Starting with 4-5 type of juice & shakes - increasing and varying the menu with feedback, demand and season. Focus should be on quality, cleanliness and taste.
- Marketing activities through word of mouth & social media.
- Order details to be maintained daily. Book keeping is the key to successful enterprises. It can be used for evaluation of the plan, further interventions and some insights.

Financial Analysis:

SI No	Item	Description	Unit Cost	Total Cost
1	Refrigerator	New - Direct-cool single-door refrigerator; 150 litres capacity	10000	10000
2	Juicer-mixer-Grinder	New- 600-Watt Juicer Mixer Grinder with 3 Jars	2500	2500
3	Other utensils- ex-transparent glass set, Spoon	New	2500	2500
	Total Fixed Cost			15000

Pricing Reference: - Example

Lime juice – Rs.15

Lime Soda – Rs.20

Banana Milk Shake- Rs.40

Mango Juice- Rs.40

Mango Milk Shake- Rs.50

Vegetable Juices- Rs.40

Mosambi Juice -Rs.40

Taking conservative Approach: -

- Average Revenue per juice/shake – Rs.40
- Average variable cost of juice/shake – Rs.25
- Contribution margin – Rs.15
- Break Even point: - $15000/15 = 1000$ units.
- If we want to have breakeven in 1 month, daily juices/shakes to be sold- $1000/30 = 34$

Assuming, we can take 30 juice/shake orders daily---- Yearly calculation- existing 300 working days

- Contribution margin = $30 * (40-25) * 300$ = Rs. 135000
 - Fixed costs: - Refrigerator = Rs (5000)
[After 1 year market value will be of 5000, taking depreciation of 5000]
 - Juicer Mixer Grinder (1-year Warranty) ...Half depreciated in a year..= Rs. (1250)
 - Other utensils = Rs. (2500)
- Net Annual Profit = Rs. 126250**

Impact: - It should increase minimum Rs. 2000-2500 monthly income to the unit members of the existing canteen.

Proper evaluation of the pilot project should be done. Understanding the gaps and taking feedbacks from customers will be the key for successful implementation. Impact analysis should be completed for different stakeholders before expanding the plan.

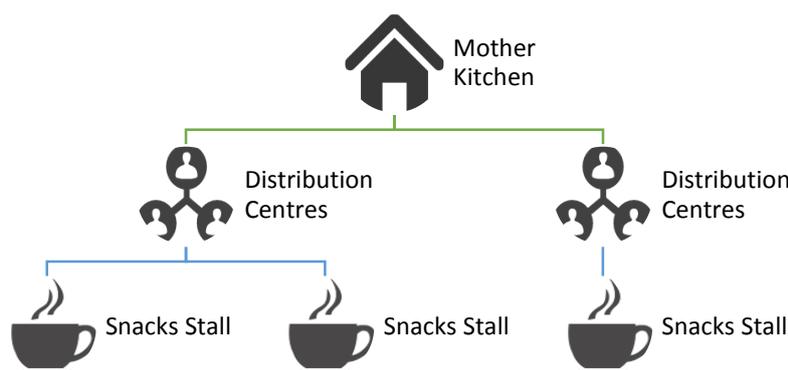
Mother Kitchen

Introduction

Snacks items are an essential part of the regular, day to day eating habit of the people of Kerala. It is a large market and is mainly concentrated with unorganised snacks retail stores. The new business unit of Kudumbashree will venture into the snacks market with a chain of retail stalls around the city. It will comprise of multiple snacks stalls scattered around the city and a mother kitchen which will handle all the production of snacks material. Through the new business model, Kudumbashree will enter this market with huge potential to grow and thus can generate employment to many people.

Hub and Spoke Model

The Kudumbashree snacks stalls business will be based on Hub and Spoke model. It is a centralised system where the hub acts as the base of manufacturing and distribution and the end points (snack stalls) will only act as a point of sale for the business. The mother Kitchen will act as the hub where the production of all the material will take place. The food items prepared will be transported to the distribution centres which will act as stage 2 hub for the stalls in proximity. The distribution centres will act as the feeder units for the nearby snack stalls. After the items reach the distribution centres, it will be the responsibility of the units operating the snacks stalls to come to the distribution centres and collect and transport the inventory to their respective snacks stalls.



Food Items

The snacks stalls will deal with mainly three types of food items. These are:

- Evening snacks with low shelf life such as Samosa, Sambhar Wada etc.
- High Shelf Life snacks such as chips and other fried items.
- Tea, Coffee and other beverages.

The Low shelf life items will require to be produced and sold at a daily basis and will have a life cycle of one day. At the same time items such as potato chips and other fried items have a shelf life of 2 months and so do not require as frequent transportation. It can have a transportation cycle of one or two week or even longer which is difficult to determine at this point without analysing the sales pattern. Items such as tea, coffee etc. require to be consumed fresh and will need to produce at the stall itself. The procurements of ingredients of such items will be taken care by the units operating the stalls as the demand of such items might vary from stall to stall.

Packaging

Fried items such as potato or banana chips etc. should be plastic packed with a specific Kudumbashree design including its logo. It will give an exclusiveness to the products at the same time promote an impression of quality and trust of Kudumbashree.

Mother Kitchen

The manufacturing units commonly termed as mother kitchen will be the base of all operation. It will be operated by multiple units and the number of units will depend on the scale of the project and the demand of inventory in the market. The major functions of the mother kitchen will be preparation of food items, its packaging and transportation to all the distribution centres. In the morning, mother kitchen will prepare low shelf life items as its transportation to individual stalls will take time. Procurement of ingredients will be done by the members of the units operating the mother kitchen.

The mother kitchen will maintain a team of distributors who will be responsible for transporting supplies to the distribution centres at a fixed time in the morning around for example 11 am (exact time to be decided based on the time required by the mother kitchen to produce food. Each distributor will handle the demand and supply of all the stall units under one distribution centre. The individuals handling the logistics of food items referred as distributors from mother kitchen to the distribution centres will meet the stall vendors at the distribution centres and deliver them the supplies. At the same time they will also collect next day's order from individual vendors. They will also be responsible for the collection of sales data gathered from the individual stalls.

The location of mother kitchen required to be chosen with careful planning at it must have ample space for its operations along with close proximity to all the distribution centres in the city.

Distribution Centres

The distribution centres will act as a stage 2 hub in the distribution channel and will act as a local storage unit for inventory produced by the mother kitchen. The distribution centres will be chosen based on their locations and will mainly be other Kudumbashree unit operated businesses such Kudumbashree canteens etc. The units operating the distribution centres will only be responsible for accepting and storing inventory form mother kitchen and facilitating delivery to the individual units operating the stall.

Snacks Stall

One Kudumbashree unit comprising of five members will be assigned to operate on snack stall. The stall will require at most two people to operate it efficiently, so the unit members can work on a rotation basis. The location of the food stalls will be selected such that it can maximise the no of customers. Major functions of the snack stalls will be:

- Meeting with the mother kitchen distributors at the distribution centres and accepting inventory as well as ordering inventory for the next day.
- Collection of Inventory and it's transportation from the Distribution Centres.
- Selling of food items at the stall.

- Maintaining record of sales and submitting it to distributors at the distribution system.
- Units can also use the stalls to sell newspapers and magazines for extra income.

Locations for Snacks Stalls

The success of snacks stalls will largely depend upon the amount of customers it caters to. In order to maximize the no of customers it must be located near high traffic areas or areas where street pedestrians can stop to have some food. Another preferred location would be near office building areas, colleges, schools and other institutions where located.

Steps of Implementation of Project

Stage 1 (Pilot Stage):

- A single stall can be setup near one of the existing canteens to assess the sales and response of the consumers.
- The canteen will act as the mother kitchen for the duration of pilot study.
- Initially, the number of different food items will be low, based on the capacity and skill of the unit operating the stall.
- The unit operating the stall will prepare the food items at the canteen and then transport it to the stall for selling.
- For this purpose, MLA Hostel canteen can be used due to space availability.

Stage 2 (Expansion Stage):

More stalls can be setup nearby and one unit will only be involved with the preparation of food items in the early morning in order to avoid problems with the unit operating the MLA Hostel Canteen.

Stage 3 (Establishing Mother Kitchen):

- Identification and selection of space in the centre of city to operate as Mother Kitchen. It should be in close proximity to the distribution centres to optimise transportation.
- Enough space should be available to carry out food preparation and packaging.
- The unit operating the mother kitchen will only handle the production of food items and its distribution.
- As the business grows and if the need be, more units can be included for handling the operations.

Stage 4:

After setting up of mother kitchen, the MLA hostel canteen and other canteens will work as distribution centres for the stalls. As the distribution units only act as the facilitators, any Kudumbashree business unit with ample space can be used as distribution centres. Each will supply to a number of stalls.

Profit Margin Distribution

The main objective of this organisation is to provide employment and a stable source of income to women. Keeping this in mind the profit margin distribution of mother kitchen business model will be such that every individual earns similar amount of money whether she works in mother kitchen or she mans a snacks stall.

Suppose, there are 5 units or 5 individual working in mother kitchen, 5 distribution centres and each distribution centre has 5 snack stalls manned by a unit of 3. That makes a total of 25 individuals at mother kitchen and 75 individuals at the stalls.

In the survey, it was found that a bag of chips which sells at Rs.30 costs Rs.20-25 to produce. With larger scale of mother kitchen, we can expect it to be around Rs.20 giving a profit of Rs.10 on each pack. If mother kitchen sells the bags at Rs.22.5 to the snacks stalls and they sell it to customers at Rs.30. The distribution centres earn Rs.0.5 on each pack of chips.

For a sale of 100 bags, assuming each stall sells equal amount of bags (4 each), mother kitchen will receive a margin of $(2.5*100)$ Rs.300 and stalls will earn $(4*7)$ Rs.28 each.

Each member of mother kitchen will earn $(250/25)$ Rs.10 on the sale of 100 bags of chips. Similarly, each member at food stall will earn $(28/3)$ Rs.9.33 on the sale of 100 bags of chips in total. The snacks stalls have other sources of income of which mother kitchen will not be a part of such a tea, coffee, juice and selling of newspaper etc. so mother kitchen should receive a larger chunk of the profit from the sale of food items. The idea here and the basis of calculation is to equalize the profit earned by each member in the supply chain.

To summarise, out of Rs.10, mother kitchen receives Rs.2.5, the distribution centres take Rs.0.5 and the Stalls receive Rs.7. The distribution centres earn nominal amount as they are already involved in other Kudumbashree business and have other sources of income. At the same time they have very little responsibilities and role to play in the supply chain.

Challenges

The success of this project is highly dependent on overcoming the various challenges faced during the various stages of the implementation of this project and also its day to day operations. This project contains many different units working together in various functions due to which Kudumbashree will have to play a major role as a parent organisation. Some of the challenges are:

- Making multiple units work in coherence.
- Need a fulltime team to look-after the overall mother kitchen business and assist mother Kitchen in anticipating demand and supply.
- Training units to maintain detailed records of sales data. (Which can be used to plan further activities)
- Profit sharing of Margin distribution at various levels of supply chain.
- Permission from corporation and street vendor certification.