

A CASE STUDY ON RED CHERRY GLOBAL PRIVATE LTD.

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ABSTRACT

Logistics involves the activity of organizing the movement, equipment, and accommodation of troops. Supply chain management, logistics and distribution all overlap in some ways. From a general business point of view, Logistics involves things like transportation, inventory, packaging, supplies and sometimes, social security and warehousing which is quite difficult in case of intangible, perishable services. They all affect the methods used by a business to acquire, transport and resell goods within an industry.

KEYWORDS: *Supply Chain Management, Logistics, Inventory, Packaging, Social Security.*

Introduction

This particular case is about Red Cherry Global Private Ltd, Pune based company specializing in offering standard quality and hygiene food service using the suitable technology. Their nature of service mainly includes quality Food Solution Offering Best Taste and Standard, well balanced, nutritious and tasty meals, believing in growth of employees and creating value for stakeholders and society at large.

Profile of Red Cherry Global

RCG provides a balanced and tasty diet to the consumer employees. It creates the right and pollution free environment in the atmosphere of its service centers, in such a way it produces happy and energetic consumer employees. The services catered by RCG always make customers, employees and employers highly satisfied and ensure to maintain the quality. The secret of quality, name and fame of RCG is its team working for with 24 by 7 and for the year consistently.

What Red Cherry Offers?

- Industrial and IT Catering Services
- Outdoor Catering Services
- Guest House Management
- Event Management
- Corporate Parties

Vision

- **Customer Focus:** Focus on the customer to deliver highest quality with optimum cost and agreed time.
- **Ethics:** Be honest and fair without compromising integrity.
- **Innovation:** Excellence directing client service
- **Commitment:** Always do what we say.
- **People:** Empowerment to individuals responsible and accountable for service delivery.

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Working Strategy

- RCG follows the strategy of purchasing from FSSAI certified authorized raw material suppliers. Company ensures that material handling, cooking, service and storage practices contribute to the highest safety of the food.
- Periodically train people on their important duties and responsibilities to maintain a safe and healthy workplace and service environment.
- Enhance food and workplace safety standards, practices and programs.
- RCG strives to continuously improve food and occupational safety measures..
- RCG concentrates on encouragement and participation from clients, customers and partners, ownership from people to play a key role in achieving safety goals.
- Fosters a culture where all team members try to reduce safety risks, prevent incidents, injuries and food borne sickness.

Central Kitchen of RCG

- RCG has 3000 sq.ft central kitchen in Mundwa, Pune. Kitchen is well equipped and structure designed as per the best industrial standards. It is well equipped to give out 5.9 metric ton food (for approx.8500 persons) volume per meal (breakfast/lunch/dinner).Currently the company is producing over 0.87 metric ton (for approx.1250 people) food volume per meal.
- Management staff is well experienced with 5-15 years of industrial exposure.
- RCG complies with safety of food and workplace that relate to the industries, geographies and on site venues where we operate.
- Company purchases authorized suppliers with FSSAI certification raw materials, also handling , cooking, serving and storage practices contribute to the safety of the food that the company prepares and serves.
- They regularly train people on their important responsibilities to maintain a safe and healthy workplace and service environment.
- They frequently review and enhance the food and workplace safety standards, practices and programs and strive to continuously improve the food and occupational safety performance.
- RCG active ensures active ownership from people and encourage participation from clients, customers and partners to play a role in achieving our safety goals.
- Company fosters a culture where all team members are well supported in their ability to reduce safety risks, prevent incidents, injuries and food borne illnesses.
- They ensure that everyone has the right and authority to stop and question any job that causes concern about their personal safety, the safety of others, or the safety of service.



How Logistics and Distribution works in Red Cherry Global

Red Cherry Global is serving both I.T. and Manufacturing firms. Both type of industries work in different ways:

- **I.T.Sector**

RCG operates from its production house. For IT sector there is involvement of the following production manager, Transportation manager, Area Manager and Site Manager. In I.T. sector some companies have fixed billing and some have cash collection. Production manager reports the Business Head once the delivery is done on the site. If sometimes there is shortage of food on site, RCG has a backup team which is responsible to handle that crises at that point.

Manufacturing Sector

Out of total 90% of the manufacturing companies have their in house kitchens. This saves the transportation cost. In manufacturing sector there is always fixed billing.

ISO 9001: 2005 certification of RCG



Many manufacturing industries adopted ISO 9001 which is a Quality Management System standard widely adopted by many manufacturing companies. Even food manufacturing companies started adopting it .RCG is an ISO 9001:2005 certified company. The quality stadrds like ISO 9001 allow and helps an organization at integration of its quality management system with the implementation of food safety systems such as HACCP

(Hazard Analysis Critical Control Point).Adoption of quality management system is a essential strategic decision for any organization. The structure and the implementation of organizations quality management system is influenced by different needs such as the specific objectives, the products produced, the processes followed and the size and structure of the organization.

SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Minimum operational costs • Distribution networks in both urban and rural areas. • Well known established brand in FMCG sector • Deep rooted in local culture and deeper understanding of consumer needs 	<ul style="list-style-type: none"> • Little scope to invest in technology and achieving economies of scale especially in small scale sectors. • Very less chances to grow and export • Counterfeit products which reduce the scope of FMCG products in rural and semi-urban market
Opportunities	Threats
<ul style="list-style-type: none"> • Untapped rural market • Rising income levels,i.e. increase in buying power of consumers • Large domestic market- where a population of over one billion • Export potential • High consumer goods spending 	<ul style="list-style-type: none"> • Removal of import restrictions which resulted in replacement of domestic brands • Slow growth in rural demand • Taxes and regulatory structure

Limitations

Cost and Speed

The distribution system creates both disadvantages and advantages for consumer costs. When locals purchase a product created by regional manufacturers, the cost to move the goods to an industrial distribution center and transport the goods again to a retail outlet goes little high and which cannot be even reimbursed by charging extra service cost.

- **Inventory**

Companies have a planning advantage in using industrial distribution centers to store finished inventory and parts and materials for manufacturing. Inventory from large multinational corporations stored at regional distribution locations arrives at retail outlets quickly to restock empty shelves. Calculating the goods available at any given time is a complicated task when service industry is involved in making of food products.

- **Innovation**

Companies discourage innovation that fails to use components and materials available in distribution centers due to the extra costs involved in moving supplies for the new goods. Innovative industrial goods failing to conform to shipping standards and distribution centers handling processes, also face problems in a manufacturing system focused on the industrial distribution centers. Innovative and unusual manufactured goods failing to feature surfaces for barcodes, standardized shipping protection or unusual packing require hand processing. The unique manufactured items slow processing at the distribution centers and create extra handling costs for both the manufacturer and the distributor. Companies discourage staff from introducing new goods with such added costs.

- **Staff and Administrative Training**

Staff and supervisors have the skill and experience to transfer completed tasks qualitatively and continue to work without lengthy training program.

- **Finding New Talent**

Third party logistics industry like RCG is facing this type of biggest challenge which needs a high level of attention. Finding the right candidates for the right vacancies is very difficult. The lack of good candidates leads to loss of efficiency and productivity and 3 PL businesses traditionally has been a high churn operation.

- **Increased Emphasis on Rules and Regulations**

As RCG is dealing in Food which needs to be service fresh, they have to be very conscious on safety and timely delivery. All the rules of Government have to be followed strictly by them.

- **Lack of Collaboration**

Transport providers and carriers play an important role in supply chain operations but often the management neglects the mundane side of physical distribution and transportation. The lack of collaboration between the transport team and the end customers can have an adverse effect on the smooth functioning of supply chain.

Recommendations for the bright future of RCG

- **Financial Cushion:** Every company or entrepreneur must have some financial buffer i.e. capital amount for the security of the company during the bad time of the company.
- **Pre-requisite of the Industry:** Before starting off with any of the business, you should have in depth knowledge of the market in which you are going to penetrate.
- **Industrial Standards:** Companies should not compromise with quality. One should get all the certifications and should follow the entire rule and the hygiene goals.
- **Knowledge of Competitor's Policies:** An organization must know their competitors policies and position in the market. So that they can present themselves in a different manner to their customers to maximize their productivity.
- **Flexibility towards Innovations:** An organization should be flexible enough to adapt the changing market scenario.

Conclusion

In an ever changing market, ample research helps comprehend the attitude and buying behavior of consumers, with so many brands around, the consumers will always be choosy about products. Without evaluating such factors, one may not be able to understand the effectiveness of marketing campaigns for specific market segment.

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