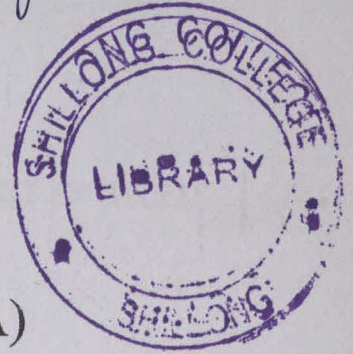


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## 'WANMI'

A PROJECT REPORT ON PINEAPPLE AND ORANGE JUICE AND  
SQUASHES



SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENT OF  
THE DEGREE OF BACHELOR OF BUSINESS ADMINISTRATION

BY

EWANMI SHYLLA

ROLL NO.: B1400219

DEPARTMENT OF BACHELOR OF BUSINESS ADMINISTRATION

SHILLONG COLLEGE

SHILLONG

SUDMITTED ON:

3<sup>rd</sup> November, 2015

NORTH EASTERN HILLS UNIVERSITY

CERTIFIED THAT THIS IS A BONAFIDE RECORD OF THE PROJECT ENTITLED

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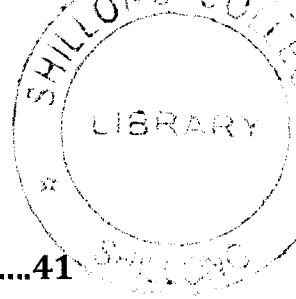
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First and foremost, I am grateful to God for His blessings showered upon me to complete my project in time.

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I would also like to express my sincere thanks and heartfelt gratitude to the HOD of Management, Madam Wanda Sohliya, for her guidance and constructive suggestions and for all her help, encouragement and support that help me in the preparation and execution of my project.

My very special thanks are due to all the librarians for their time and for helping me to get the right information for my project.

I am also heavily indebted to all my friends who have always been my constant help and support in more than one way during the preparation of this project and without whose co-operation; my project would not have been successful.

Last but not the least, I would like to express my gratitude to my parent, brothers and sisters who are and have been a constant source of inspiration to me and who are always at my beck and call and always keep me in their prayers.

October, 2015

Ewanmi Shylla

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## **INTRODUCTION**

Fruits are an important source of energy. However, their availability is seasonal and they are perishable. Hence, they need to be processed and preserved which also result in value addition. India is endowed with many varieties of citrus fruits. Among these fruits, pineapples and oranges are very popular and number of processed products like juices, squashes, jams, etc. can be made from them. Khasi and Garo Hills (both East and South Garo Hills) have good base of Orange and Pineapple cultivation, respectively.

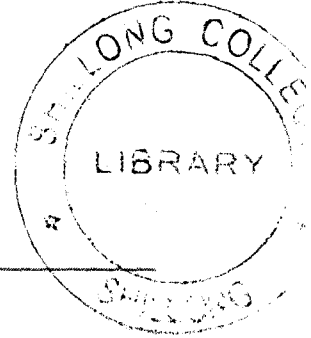
Moreover, oranges and pineapples are grown in large quantities in many other parts of the North East region besides Meghalaya. Fruits are perishable in nature and for their preservation; they need to be processed to make juices, squashes, etc. This product note is confined to making orange juice and squash and pineapple juice.

November 03, 2015

Ewanmi Shylla

Department of Management

Shillong College, Shillong



## INTRODUCTION OF ENTREPRENEUR:

Name of entrepreneur: Ewanmi Shylla

Address: Pamrakmai,

East Jaintia Hills,

Jowai, Meghalaya-793160

Qualification: Bachelor of Business  
Administration

Institution: Shillong College,

Boyce Road, Laitumkhrach, Shillong-793003

## INFORMATION OF ENTERPRISE:

Name of the Unit: Wanmi

Address: Megongre, East Garo Hills, Meghalaya

Product: Pineapple and orange Juice and squashes

Type of the Unit: Processing

Nature of the Unit: Proprietorship

Place: Own



## WHY MEGHALAYA

**Meghalaya** is a state in north-east India. The name means "*the abode of clouds*" in Sanskrit. As of 2011, the state has a population of 2,964,007 and is the 23rd most populous in the country. The population of Meghalaya as of 2014 is estimated to be 3,211,474. Meghalaya covers an area of approximately 22,430 square kilometers, with a length to breadth ratio of about 3:1.

This state is bounded to the south by the districts of greater Mymensingh and the Division of Sylhet and the west by the Division of Rangpur of the People's Republic of Bangladesh and the north and the east by India's Assam state. The capital is Shillong, known as the "Scotland of the East". Meghalaya was previously part of Assam, but on 21 January 1972, the districts of Khasi, Garo and Jaintia hills became the new state of Meghalaya. The other principal languages spoken include Khasi, Pnar and Garo. Unlike many Indian states, Meghalaya has historically followed a matrilineal system where the lineage and inheritance are traced through women; the youngest daughter inherits all wealth and she also takes care of her parents.

The state is the wettest region of India, recording an average of 12,000 mm (470 in) of rains a year. About 70% of the state is forested. The Meghalaya subtropical forests ecoregion encompasses the state; its mountain forests are distinct from the lowland tropical forests to the north and south. The forests are notable for their biodiversity of mammals, birds, and plants.

Meghalaya has predominantly an agrarian economy with a significant commercial forestry industry. The important crops are potatoes, rice, maize, pineapples, bananas, papayas, spices, etc. The service sector is made up of real estate and insurance companies. Meghalaya's gross state domestic product for 2012 was estimated at 16173 crore in current prices. The state is geologically rich in minerals, but it has no significant industries. The state has about 1,170 km (730 mi) of national highways. It is also a major logistical center for trade with Bangladesh.

Agriculture and allied activities engage nearly two-thirds of the total work force in Meghalaya. However, the contribution of this sector to the State's NSDP is only about one-third. Agriculture in the state is characterised by low productivity and unsustainable farm practices. Despite the large percentage of population engaged in agriculture, the state imports food from other Indian states. Infrastructural constraints have also prevented the economy of the state from creating high income jobs at a pace commensurate with that of the rest of India.

## DEVELOPMENT OF BUSINESS IDEA

My business idea stems from the need to process and preserve fruits, particularly, pineapples and oranges. Fruits are important sources of energy. However, due to their perish ability characteristic and seasonal availability, they need to be preserved, and preserved which will result in value addition. India is endowed with many varieties of citrus fruits, as a result of which, fruits are popular amongst all age groups. Unconsciously, Indians are conditioned to like fruits (if not all) however, majority like fruits in its different forms, forms of juice or squashes.

Orange and Pineapple are such very popular fruit and are liked by the majority of people irrespective of their age group but fresh fruits are available only during specific seasons and that too only for two to three months. Hence, downstream products made from fresh fruits have become popular especially in urban and semi-urban areas. But off-late demand from rural areas is also growing up. Apart from house-holds, they are sold at many places like restaurants, clubs, railway stations, bus-stop, cold drink houses, picnic or tourist spots and many such places.

Thus, with growing disposal incomes and changing lifestyles, our products will witness increase in demand while taking a comprehensive view of and giving due attention to the product- related-other aspects such as the size of the product market, its future demand, competition position, life-cycle, availability of required labor, raw materials and technology.

## **CONCEPT OF ENVIRONMENT**

Environment literally means the surroundings, external objects, influences or circumstances under which someone or something exists. The environment of our business is the “aggregate of all conditions, events and influences that surround and affect it”. Since the environment influences our unit in multitudinous ways, it is of crucial importance to understand it.

The concept of environment can be understood by looking at some of its characteristics. But before we do that, let us recount some events and influences, in Exhibit 1.1, that have shaped business and industry in post-independence India.

### ***Exhibit 1.1 Ten Events That Shaped Business and Industry in India after Independence***

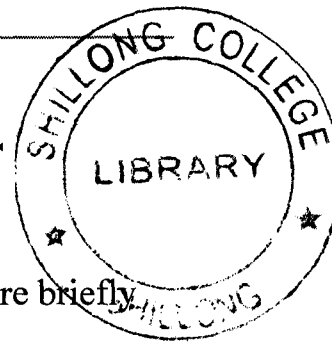
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Business World has recounted 25 events that shaped business, out of which we have picked up ten that happened in India after Independence. These events offer an insight into how our business environment has been formed.

1. Independence and Partition (1947), Muslim businessmen migrate to Pakistan; most jute mills are lost to East Pakistan and the fertile wheat and cotton fields of Punjab to Pakistan; the merchant city of Karachi is lost forever; most British firms quit India.
2. Establishment of Industrial Finance Corporation of India (IFCI) (1948). IFCI is set up to provide state funds for industrialization, starting a long change of state intervention in business and industry.
3. First Five-Year Plan (1951). State-directed planning commences in the form of five-year plans with the State taking up entrepreneurial functions based on the ideology of what has come to be known as “Nehruvian” socialism.
4. The Mundhra Scandal (1957). India’s first major scam created public outcry when a business man rigged the share prices of his company; the finance minister owned responsibility for the systematic lapse.
5. First Indian heads a Multinational National Company. Prakash Tandon becomes the chairman of the Hindustan Lever indicating the growing importance of the Indian managerial class.
6. Brain Drain (1965 onwards). Indian scientists and technologists start migrating to the western countries in search of opportunities and earning.

7. Licensing era (1965-73). The license raj, started in 1956, resulted in severe restrictions on industry, private investments, and managerial actions.
8. First Reliance Public Issue (1977). The first public issue for the share of Reliance Industries heralds the equity culture in India.
9. Telecom Revolution (1986). Sam Pitroda, the technology adviser to the youthful Prime Minister, Rajiv Gandhi, leads the transition to the digital switching system which started the telecom revolution in India.
10. Liberalization (1991 onwards). Manmohan Singh, as the finance minister in Narasimha Raos Ministry, starts the process of liberalization and globalization marketing a sharp turn in the course of India's industrial history.

Source: Based on "25 events that shaped business", Business world. Jan, 3, 2000, pp 10-12



# CHARACTERISTICS OF ENVIRONMENT

Our business environment (or simply environment) exhibits many characteristics. Some of the important, and obvious, characteristics are briefly described here.

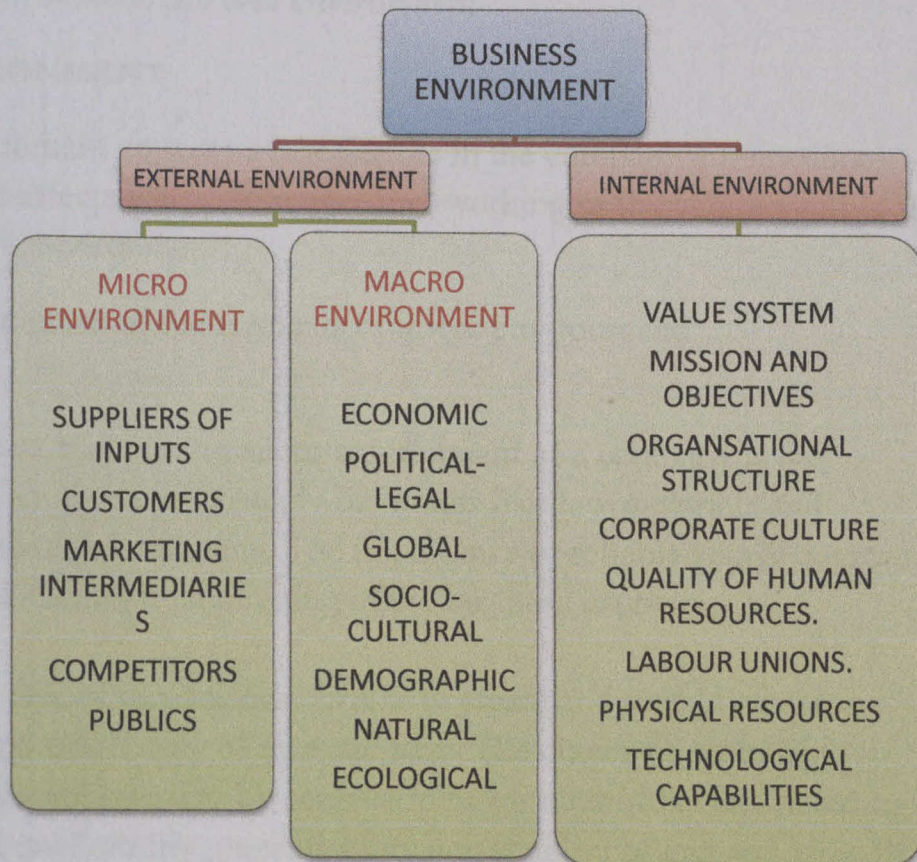
1. *Environment is complex.* The business environment, in which our business unit exists, consists of factors, events, conditions, and influences arising from different sources. All these do not exist in isolation but interact with each other to create entirely new sets of influences. Thus, this makes it difficult for us to comprehend at once, what factors constitute a given environment. All in all, environment is a complex phenomenon relatively easier to understand in parts but difficult to grasp in its totality.
2. *Environment is dynamic.* The environment is constantly changing in nature. Due to the many and varied influences, operating, there is dynamism in the environment, causing it to change its shape and character continuously.
3. *Environment is multi-faceted.* What shape and character an environment will assume depends on the perception of the observer. A particular change in the environment, or a new development, may be viewed differently by different observers. This is seen differently when the same development is welcomed as an opportunity by one company while another company perceives it as a threat.
4. *Environment has a far-reaching impact.* The environment has a far-reaching impact on the organization. The growth and profitability of our unit depends critically on the environment in which it exists. Any environmental change has an impact on our unit in several different ways.

Since the environment is complex, dynamic, multi-faceted, and has a far reaching impact, dividing it into external and internal components enables us to understand it better. Let us go ahead with the complexity of the environment by dividing it into:

- a. External and b. Internal

## EXTERNAL AND INTERNAL ENVIRONMENT

Our business unit has absolute control in the Internal environment, whereas, it has no control in the External environment.



## EXTERNAL ENVIRONMENT

The external environment includes all the factors (which are uncontrollable) outside the organization which provide opportunities or pose threats to the organization. There are two types of external environment

1. *Micro environment/Operating environment*
2. *Macro environment/General environment*

### MICRO ENVIRONMENT

The micro environment consists of the factors in the company's immediate environment that affects the performance and working of the company. It is also known as the task environment.

The following are some of the elements of micro environment:

#### 1. *Suppliers*

An important force in the micro environment of a company is the suppliers, i.e., those who supply the inputs like raw materials and components to the company. The importance of reliable source/sources of supply to the smooth functioning of the business is obvious.

#### 2. *Customers*

The major task of our business firm is to create and sustain customers. Our business exists only of its customers. The choice of customer segments should be made by considering a number of factors including the relative profitability, dependability and stability of demand, growth prospects and the extent of competition.

#### 3. *Competitors*

Competitors refer to the other business entities that compete with our unit for resources as well as markets. Competition may be direct or indirect.

- ❖ Direct competition is between firms, which are in same business activity.
- ❖ Indirect competition is between firms working in different areas of activity e.g., our fruit juice manufacturing company and mineral water company competing for available income of customers.

#### 4. *Marketing intermediaries*

The marketing intermediaries include middlemen such as agents and merchants that help our company find customers or close sales with them.

The marketing intermediaries are vital links between our company and the final consumers.

5. *Financiers/Shareholders*

The financiers are also important factors off internal environment. Along with financing capabilities of the company, their policies, attitudes towards risk, ability to provide non-financial assistance etc. are very important.

6. *Public*

Public can be said as any group that has an actual or potential interest in or on our organization's ability to achieve its interest. Public include media and citizens. Growth of consumer public is an important development that will be affecting our business.

7. *Media*

Positive media attention can "make" an organization (or its products) and negative attention can "break". Therefore, we need to manage the media so that it can promote the positive things about our organization and to conversely reduce the impact of a negative event on our business.

## **MACRO ENVIRONMENT**

Macro environment is also known as General environment and remote environment. Macro factors are generally more uncontrollable than micro environment factors. When the macro factors become uncontrollable, the success of our company depends upon its adaptability to the environment. Some of the macro environment factors are discussed below:

1. *Economic environment*

Economic environment refers to the aggregate of the nature of economic system of the country, business cycle, the socio-economic infrastructure etc. The successful businessman visualizes the external factors affecting the business, anticipating prospective market situations and make suitable solutions to get the maximum with minimize cost. Economic environment includes such factors as internal rates, inflation rates, and change in disposable income of people, stock market indexes and the value of rupee.

2. *Social environment*

The social dimension or environment of a nation determines the value system of the society which, in turn affects the functioning of the



business. Sociological factors, such as organization structure, customs and conventions, mobility of labor etc. have far reaching impact on the business. These factors determine the work culture and mobility of labor etc.

Social environment includes social forces like traditions, values, social trends, societal expectation of business, and so on.

3. *Demographics*

Demographics refer to the size, density, distribution and growth rate of population. In other words, it denotes characteristics of population in an area, district, country, or in the world. It includes factors such as race, age, income, educational attainment, employment status, and location. All these factors have a bearing on the demand of the various goods and services.

4. *Political environment*

The political environment of the country is influenced by the political organizations such as philosophy of political parties, ideology of the government, or party in power, nature and extent of bureaucracy influence of primary groups, etc. The political environment of the country influences the business to a great extent.

5. *Legal environment*

Legal environment includes various legislations passed by the Government administrative orders issued by the government authorities, court judgments as well as decisions rendered by various commissions and agencies at every level of the government-centre, state or local. In other words, it includes flexibility and adaptability of law and other legal rules governing the business. It may include the exact rulings and decisions of the courts. These affect the business and its managers to a great extent.

6. *Technical environment*

The business in the country is greatly influenced by the technological development. The technology adopted by the industries determines the type and quality of goods and services to be produced and the type and quality of plant and equipment to be used. Technological environment influences the business in terms of investment in technology, consistent application of technology and the effects of technology on market. Technological environment includes forces relating to scientific improvement and innovations which provide new ways of producing

goods and services and new methods and techniques of operating a business.

7. *Ecology and physical environment*

The ecology and physical environment plays a large part in many businesses especially those which carry out production and manufacturing activities. In fact, businesses are affected on a daily basis due to environmental and ecological changes. For example, the impact of climate change must be considered; water and fuel costs could change dramatically if the world warms by only a couple of degrees.

## INTERNAL ENVIRONMENT

The internal environment is the environment that has a direct impact on the business. Here, there are some internal factors which are generally controllable because the company has control over the factors. It can alter or modify such factors as its personnel, physical facilities, and organization and functional means, like marketing, to suit the environment.

The important internal factors which have a bearing on the strategic-decision-making of our organization are discussed below.

### 1. *Value system*

The value system of the founders and those at the helm of affairs has an important bearing on the choice of business, the mission and the objectives of our organization, its business policies and practices.

### 2. *Mission and vision and objectives*

Vision means the ability to think about the future with imagination and wisdom. Vision is an important factor in achieving the objectives of the organization. The mission is the medium through which the objectives are achieved.

### 3. *Management structure and nature*

The structure of the organization also influences the business decisions. The organizational structure like the composition of the board of directors influences the decisions of business as they are internal factors. The structure and style of the organization may delay a decision making or some other helps in making quick decision.

### 4. *Internal power relationships*

The relationship among the three levels of the organization also influences the business. The mutual-coordination among those three is an important need for a business. The relationship among the people working in the organization should be cordial.

### 5. *Human resource*

The human resource is the important factor for the organization as it contributes to the strength and weakness of any organization. Therefore, human resource in our organization has characteristics like skills, quality, high morale, commitment toward the work, attitude, etc. and the involvement and initiative of the people in our organization at different levels varies from the other organization.

### 6. *Company image and brand equity*

The image of the company in the outside has the impact on the internal environment of the company. It helps in raising finance, making joint ventures, other alliances, expansions, and acquisitions, entering sales and purchase contracts, launching new products, etc. Brand equity also helps the company in the same way.

7. *Miscellaneous factors*

The other factors that contribute to the business success or failure are as follows:

❖ *Physical assets and facilities*

Facilities like production capacity, technology are among the factors which influences the competitiveness of the firm. The proper working of the assets is indeed for free flow of working of our company.

❖ *Research and development*

Through R & D department is basically done external environment but it has a direct impact on the organization. This aspect mainly determines the company's ability to innovate and compete.

❖ *Marketing resources*

Resources like the organization for marketing, quality of the marketing men, brand equity and distribution net work have direct bearing on the marketing efficiency of our company.

❖ *Financial factors*

Factors like financial policies, financial positions and capital structure are also important internal environment affecting our business performances, strategies and decisions.

Thus, the *external environment* includes all the factors (which are uncontrollable) outside the organization which provide opportunities or pose threats to the organization.

And, the *internal environment* refers to all the factors (which are controllable) within the organization which imparts strengths or causes weaknesses of a strategic-nature.

The business environment which the organization can be, therefore, described in terms of the opportunities and threats operating in the external environment apart from the strengths and weaknesses existing in the internal environment. The four environmental influences could be described as follows:

1. An opportunity is a favorable condition in the organizations environment which enables it to consolidate and strengthen its position. *An example of an opportunity is a growing demand for the products or services that our unit provides.*
2. A threat is an unfavorable condition in the organizations environment which creates risks for, or causes damage to the organization. *An example of a threat is the emergence of strong new competitors who are likely to offer stiff competition to our company or to the other existing companies in an industry.*
3. Strength is an inherent capacity which an organization can use to gain strategic advantage. *An example of strength of our unit is superior research and development skills which can be used for new product development so that it can gain a strategic advantage.*
4. A weakness is an inherent limitation or constraint which creates strategic disadvantages. *An example of a weakness of our manufacturing unit is its overdependence on a single product line, which is potentially risky for it in times of crises.*

An understanding of the external environment, in terms of opportunities and threats, and the internal environment, in terms of strengths and weaknesses, is crucial for the existence, growth, and profitability of our organization.

## ENVIRONMENTAL SCANNING

In the preceding sections, we have seen how the organization can comprehend the environment in which it exists, identify its environment, and classify it into different sectors. In this section, we turn to the methods and techniques employed by the organization to monitor its environment and to gather data to derive information about the opportunities and threats that affect its business.

### Definition of Environmental Scanning

*The process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business is known as environmental scanning.*

- ❖ *Environmental scanning* is careful monitoring of an organization's internal and external environments for detecting early signs of opportunities and threats that may influence its current and future plans.
- ❖ *Environment scanning* is a concept from business management by which business gather information from the environment to better achieve a sustainable competitive advantage.

### Importance of Environmental Scanning

Entrepreneurs need to carry out *environmental scanning* to anticipate and interpret that their business innovation would result in. The importance of *Environment Scanning* was first recognized by life insurance firms in the late 1970s.

- ❖ To sustain competitive advantage, the company responds to the information gathered from environmental scanning by altering its strategies and plans when the need arises.

### Factors to be considered for Environmental Scanning

The external environment in which the organization exists consists of bewildering variety of factors. These factors (may be termed as influences) are events, trends, issues, and expectations of different interested groups. These factors are explained below.

- ❖ *Events* are important and specific occurrences taking place in different environmental sectors
- ❖ *Trends* are the general tendencies or the courses of action along with events take place
- ❖ *Issues* are the current concerns that arise in response to events and trends

- ❖ *Expectations* are the demands made by interested groups in the light of their concern for issues

*Take the example of the gas-leakage accident at the Union Carbide at Bhopal in December 1994. That accident and the resulting holocaust was an 'event'. The 'trend' that arose is a general tendency on the part of the regulatory authorities and organizations to be conscious about safety from hazardous exposure to chemicals. The 'issues' is a rising concerns about environmental pollution. The 'expectation' of the general public from the government is to legislate, changes in rules and regulations pertaining to safety measures and stricter enforcement through various mechanisms.*

By monitoring the environment through environmental scanning, an organization can consider the impact of the different events, trends, issues, and expectations on its strategic management process. Since the environment facing any organization is complex and it's scanning, therefore, is absolutely necessary.

## **TECHNIQUES OF ENVIRONMENTAL SCANNING**

There is a wide range of methods and techniques available for environmental scanning. The methods and techniques employed by the organization to monitor its environment and to gather data to drive information about the opportunities and threats that affect its business are given below:

- a. SWOT Analysis
- b. PEST/PESTLE Analysis
- c. Industry Analysis

### **SWOT ANALYSIS**

A systematic approach to understanding the environment is the SWOT Analysis. SWOT Analysis is the analysis of a company's Strengths, Weakness, Opportunities, and Threats to identify a strategic niche that the company could exploit. The technique is credited to Albert Humphrey, who led a convention at the Stanford Research Institute (SRI International) in the 1960s.

The aim of any SWOT Analysis is to identify the key internal and external factors that are important to achieving the objectives. These come from the company's unique value chain. SWOT Analysis groups key pieces of information into two main categories:

**Internal factors**---The strengths and weaknesses internal to the organization.

**External factors** --- The opportunities and threats external environment.

**For this reason the SWOT Analysis is sometimes called Internal External Analysis and the SWOT Matrix is sometimes called an IE Matrix. The four environmental influences could be described as follows: A systematic approach to understanding the environment is the SWOT Analysis.**

**SWOT stands for Strengths, Weaknesses, Opportunities and Threats.**



STRENGTHS	WEAKNESSES
OPPORTUNITIES	THREATS

### SWOT ANALYSIS

1. STRENGTH is an inherent capacity which an organization can use to gain strategic advantage. *Examples of strength of our unit are*

- ❖ *Superior research and development skills which can be used for new product development so that it can gain a strategic advantage.*
- ❖ *Unique products in comparison with others*
- ❖ *Good quality of products*
- ❖ *Good market penetration*
- ❖ *Less cost of transportation*
- ❖ *Better quality*
- ❖ *Affordable price rate*

2. A WEAKNESS is an inherent limitation or constraint which creates strategic disadvantages. *Examples of a weakness of our manufacturing unit are:*

- ❖ *Overdependence on a single product line, which is potentially risky for it in times of crises.*
- ❖ *Threat that it might not be able to fulfill the demand of the targeted market*
- ❖ *Poor establishment in technology and distribution network*
- ❖ *Poor funding or lack of budget*
- ❖ *Threat of new arising competitors entering the market*
- ❖ *Some brands might come and set up the same business thus in turn capture the market share of the company*
- ❖ *There is a fear of losing its customers*

- ❖ *Dearth of readily supply of skilled workers and competent managerial workers*
- ❖ *Lack of expertise to transform ideas into sustainable brand on a wider platforms*
- ❖ *Lack of modern technology as compared to the other well-established factories*
- ❖ *Difficult to orchestrate a complete mix of talent and resources*

3. AN OPPORTUNITY is a favorable condition in the organizations environment which enables it to consolidate and strengthen its position.

*Examples of an opportunity are*

- ❖ *A growing demand for the products or services that our unit provides.*
- ❖ *The opportunities to expanding to other neighboring states*
- ❖ *Chance might be there to become no.1 brand*

4. A THREAT is an unfavorable condition in the organizations environment which creates risks for, or causes damage to the organization. *Example of a threat are*

- ❖ *The emergence of strong new competitors who are likely to offer stiff competition to our company or to the other existing companies in an industry.*
- ❖ *Price war might occur*
- ❖ *May lack in brand convincing*
- ❖ *Intensive competition*
- ❖ *Availability of substitutes from other industries*
- ❖ *Erratic electricity supply in winter*
- ❖ *Stricter rules and regulations*
- ❖ *Increasing competition from competitors producing similar products*

## PEST ANALYSIS

**PEST is an analytical tool which considers external factors and helps you to think about their impacts.**

- ❖ Is a useful tool for understanding the “big picture” of the environment which you are operating
- ❖ By understanding your environment, you can take advantage of the opportunities and minimize the threats
- ❖ This provides the context within which more detailed planning can take place to take full advantage of the opportunities that represent themselves.

The factors in PEST analysis are:

- ❖ Political
- ❖ Environmental
- ❖ Social
- ❖ Technological

### 1. POLITICAL FACTORS

- ❖ Tax policy
- ❖ Employment laws
- ❖ Environmental regulations
- ❖ Trade restrictions and tariffs
- ❖ Political stability
- ❖ Government type and stability
- ❖ Freedom of press, rule of law and levels of bureaucracy and corruption
- ❖ Regulations and de-regulation trends
- ❖ Environmental and consumer protection legislation

### 2. ECONOMIC FACTORS

- ❖ Current and projected economic growth, inflation and interest rates
- ❖ Exchange rates
- ❖ Stage of business cycle
- ❖ Unemployment and labour supply
- ❖ Labour cost
- ❖ Levels of disposable income and income distribution
- ❖ Impact of globalization

- ❖ Impact of technological or other change on the economy

### 3. SOCIAL FACTORS

- ❖ Health awareness
- ❖ Population growth
- ❖ Age distribution
- ❖ Career attitudes
- ❖ Emphasis on safety
- ❖ Population health, education and social mobility, and attitudes
- ❖ Population employment patterns, job market freedom and attitudes towards work
- ❖ Press attitudes, public opinion, social attitudes and social taboos
- ❖ Lifestyle choices and attitudes.

### 4. TECHNICAL FACTORS

- ❖ R&D
- ❖ Impact on emerging technologies and research & development activities
- ❖ Impact of internet, reduction in communications costs and increased remote working
- ❖ Impact of technological transfer



## PORTER'S APPROACH TO INDUSTRY ANALYSIS

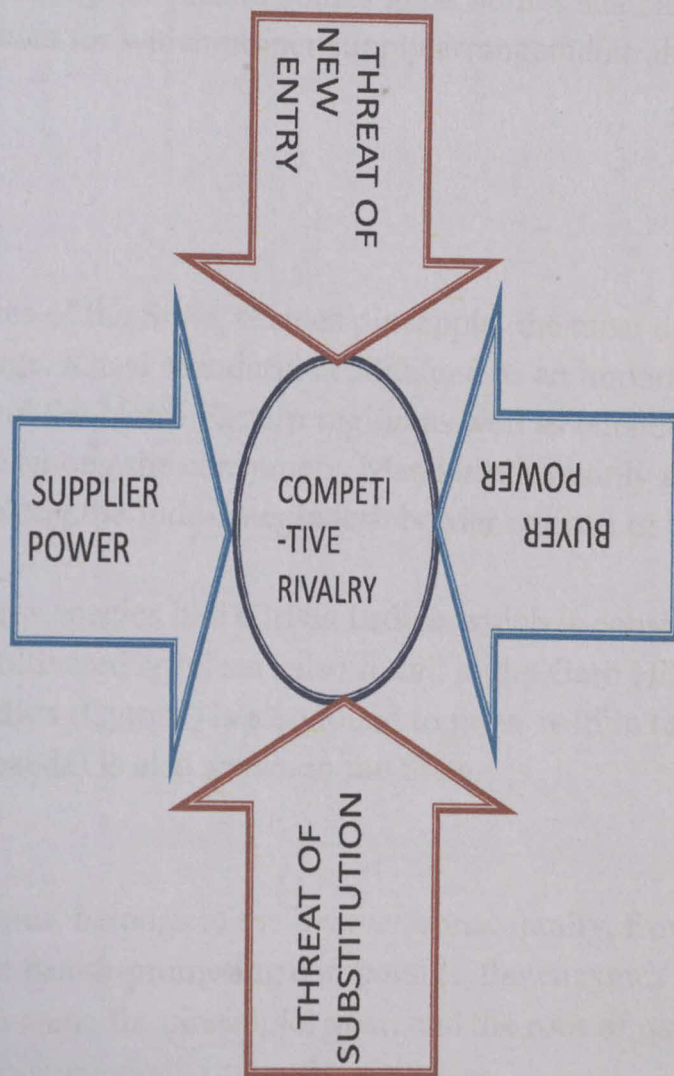
Another important approach to environmental scanning is to conduct industry analysis which is to take a survey of the existing industry if any before setting up an entrepreneurial endeavor.

The Porter's five forces tool is a simple but powerful tool to evaluate the power of business. This is useful because it helps to understand both the strength of current competitive position, and the strength of the position.

Porter's Forces Analysis assumes that there are five important forces that determine competitive power in a business situation. We use this Approach to analyze the industry before we start setting up our processing unit. These are

1. *Competitive Rivalry*: What is important here is we consider the number and capability of competitors. If there are many competitors to the new products we are going to offer, who offer equally attractive products and services, then our products will most likely have little power in the situation, because suppliers and buyers will have alternative choices to make in case they do not get a good deal. On the other hand, if no one can do what we do, then we can often have tremendous strengths.
2. *Supplier Power*: This assesses how easily suppliers may drive up prices. This in lieu depends upon the number of suppliers of each key input. The uniqueness of their products or services, their strengths and control over the entrepreneur's cost of switching from one to another, and so on, are significant factors to measure supplier power. The fewer the supplier choices, and the more is the need of suppliers' help, the more powerful suppliers become.
3. *Buyer Power*: This evaluates how easy it is for buyers to drive prices. This is driven by the number of buyers; the demand of the new product or services. The importance of each of individual buyer to business, the cost of to them for accepting the new product launched, and so on are influencing factors to know how much buyers can affect the success of business plan.
4. *Threat of Substitution*: This is affected by the ability of a consumer to find a different way of doing what we do. It also means that if substitution is easy and substitution is viable, then, this weakens our power.

5. *Threat of New Entry*: Power is also affected by the ability of people to enter a market. If it costs little in time or money to enter the market and compete effectively, if there are few economies of scale in place, or if little protection for key technologies, then new competitors can quickly enter the market and weaken others' position. However, if we have strong and durables to entry, then we can preserve a favourable position and take fair advantage of it.



## DETERMINATION OF RESOURCES:

### ORANGE AND PINEAPPLES

The all important raw materials shall be fresh oranges and pineapples. It is estimated that around 80,000 hectares are covered in the North East region for orange and pineapple cultivation of which Meghalaya accounts for 17,000 hectares with average production of 80,000 tons per year. Oranges are available from November to March and Pineapples from August to October and December to February. Even at 100% capacity utilization, the project would require 55 tons of oranges and 110-115 tons of pineapples due to wastage of almost 90%. Hence, availability will not be a bottleneck. Other items like additives, preservatives, sugar etc. shall also be required in small quantities. Packing materials like food grade plastic bottles glass bottles shall also be required in large quantities for which proper supply arrangements shall have to be met.

### DESCRIPTION

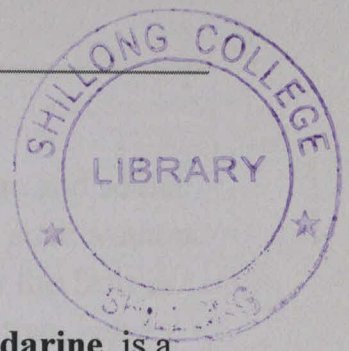
#### 1. ORANGE

Among the Citrus species of the State, besides pineapple, the most dominant is **Khasi Mandarin Orange**. Khasi Mandarin is adjudged as an important variety, widely known throughout the North Eastern region as well as outside and having good acceptance among the consumers. Mandarin is mainly grown in the sub-mountainous tract along the Indo-Bangladesh border regions of the State.

The other important Citrus species like **Citrus Indica** which is considered as a possible progenitor of cultivated species is also found in the Garo Hills districts of the State. **Citrus Medica** (Cytone) is also found to grow wild in Garo Hills. **Citrus Latipes** (Khasi paeda) is also grown in the State.

#### 2. PINEAPPLE

Pineapple, *Ananas comosus*, belongs to the *Bromeliaceae* family, from which, one of its most important health-promoting compounds, the enzymes *bromelain* was named. The Spanish name for pineapple, *pina*, and the root of its English name, reflects the fruit's visual similarity to the pinecone.



## HISTORY

### 1. ORANGE

The **mandarin orange** (*Citrus reticulata*), also known as the **mandarine**, is a small citrus tree with fruit resembling other oranges.

Mandarins are usually eaten plain or in fruit salads. Specifically reddish-orange mandarin cultivars can be marketed as tangerines, but this is not a botanical classification.

Mandarins are smaller and less spherical than common oranges (which are a mandarin hybrid). The taste is considered less sour, as well as sweeter and stronger. A ripe mandarin is firm to slightly soft, heavy for its size, and pebbly-skinned. The peel is very thin, with very little bitter white mesocarp, so they are usually easier to peel and to split into segments. Hybrids generally have these traits to a lesser degree.

The tree is more drought-tolerant than the fruit. The mandarin is tender and is damaged easily by cold. It can be grown in tropical and subtropical areas.

According to molecular studies, the mandarin, the citron, the pomelo, and the papaya were the ancestors of most other commercial citrus varieties, through breeding or natural hybridization; mandarins are therefore all the more important as the only sweet fruit among the parental species.

### 2. PINEAPPLE

Although thought to have originated in South America, pineapples were first discovered by European in 1493 on the Caribbean island that came to be known as Guadalupe. When Columbus and other discoverers brought pineapples back to Europe, attempts were made to cultivate the sweet, prized fruit until it was realized that the fruit's need for tropical climate inhibited its ability to flourish in this region. By the end of the 16<sup>th</sup> century, Portuguese and Spanish explorers introduced pineapples into many of their Asian, African and South Pacific colonies, countries in which the pineapple is still being grown today.

Since pineapples are very perishable, and modes of transport to bring them stateside from the Caribbean Islands were relatively slow centuries ago, fresh pineapples were a rarity that became coveted by the early American colonists. While glazed, sugar-coated pineapples were a luxurious treat, it was fresh



pineapple itself that became the sought after true symbol of prestige and social class. In fact, the pineapple, because of its rarity and expense, was such a status item in those times that all a party hostess had to do was to display the fruit as part of a decorative centerpiece, and she would be rewarded more than just a modicum of social awe and recognition.

In the 18<sup>th</sup> century, pineapples began to be cultivated in Hawaii, the state in the U.S. in which they are still grown. In addition to Hawaii, other countries that commercially grow pineapples include Thailand, the Philippines, China, Brazil and Mexico.

Today, pineapple can be commonly found in any grocery store and in many homes all-around the world. In Central and South America, pineapple is not only valued for its sweet taste- it has been used for centuries to treat digestion problems and inflammation.

## WHY PINEAPPLE OR ORANGE?

1. Pineapple is one of the popular fruits and is liked by majority of the people irrespective of their age group.
2. East Garo Hills and West Garo Hills regions, both are districts of Meghalaya, have very good base of pineapple Cultivation as, is evident from the following table.

Production of Different Horticulture Crops in Meghalaya in the Year 2013-2014 (in Metric Tons)

Name	Ribhoi District	East Khasi Hills	West Khasi Hills	Jaintia Hills	East Garo Hills	West Garo Hills	South Garo Hills	Total Meghalaya
Pine-apple	44243	6995	4586	629	24392	28723	8199	1,17,767

3. The levels of processing in perishable food like fruits and vegetables (2.2%), milk product (35%), meat (21%), poultry (6%), and marine products (8%) is also at a level of production.
4. Likewise, very small portion of our food production is processed for manufacturing purposes as is evident from the following figure.

Food	Production (million tons)	India rank in the world	India's Share (%)	India's Share in Export
Wheat	65	2	12	0.02
Paddy	124	2	22	18
Coarse Grain	29	3	4	---
Milk	98	1	16	Negligible
Fruits	41	2	10	Negligible

5. In comparison with the other fruits produced in different states, pineapple is one of the major fruit that is being produced in the state with a total quantity of 117,767 metric tons.

Other major citrus fruits in Meghalaya are Khasi Mandarin (40,432 tons), Assam Lemons (3962 Tons), Banana (86,432 Tons), Papaya (3981 Tons).

Thus, it is evident from the above figures that there remains a lot of scope for agri-business or agro-entrepreneurship development in the country. As such, our factory can add value to the produce, with proper management and marketing initiatives. We see also that the processed food market opens a great potential for us and the other entrepreneurs, be it fast food, packaged food or organic food.

## POSSIBLE HEALTH BENEFITS OF PINEAPPLES

Consuming fruits and vegetables of all kinds has long been associated with a reduced risk of many lifestyle related health conditions. Many studies have suggested that increasing consumption of plant foods like pineapples decreases the risk of obesity and overall mortality, diabetes, heart disease and promotes a healthy complexion and hair, increased energy, overall lower weight.

*Pineapple's possible health benefits include:*

1. **Cancer:** As an excellent source of the strong antioxidant vitamin C, pineapples can help combat the formation of free radicals known to cause cancer.

According to the American Cancer Society:

“there are studies suggesting that bromelain [found in pineapple] and other such enzymes may be used with standard cancer treatment to help reduce some side effects (such as throat inflammation due to radiation treatment).”

2. **Asthma Prevention:** The risks for developing asthma are lower in people who consume a high amount of certain nutrients. One of these nutrients is beta-carotene, found in plant foods like pineapple, mangoes, papaya, apricots, broccoli, pumpkin and carrots.
3. **Digestion:** Pineapples, because of their fiber and water content, help to prevent constipation and promote regularity and a healthy digestive tract.
4. **Fertility:** Antioxidant-rich diets have been shown to improve fertility. Because free radicals also can damage the reproductive system, foods with high antioxidant activity like pineapples that battle free radicals are recommended for those trying to conceive.
5. **Healing and Inflammation:** Some studies have shown that bromelain, the enzyme found in pineapples, can reduce swelling, bruising, healing time, and pain associated with injury and surgical intervention. Bromelain is currently being used to treat and reduce inflammation from sprains, strains, and other minor muscle injuries as well as swelling related to ear, nose, and throat surgeries or trauma.

6. *Heart health:* The fiber, potassium and vitamin C content in pineapple all support heart health.
7. *Skin:* The antioxidant vitamin C, when eaten in its natural form (as in pineapple) or applied topically, can help to fight skin damage caused by the sun and pollution, reduce wrinkles and overall skin texture. Vitamin C also plays a vital role in the formation of collagen, the support system of your skin.

## **NUTRITIONAL BREAKDOWN OF PINEAPPLES**

One cup of fresh pineapple chunks contain approximately 82 calories, 0 grams of fat, 0 grams of cholesterol, 2 milligrams of sodium, 22 grams of total carbohydrate (including 16 grams of sugar and 2.3 grams of fiber) and 1 gram of protein.

**One cup of fresh pineapple chunks provides 131% of your Vitamin C needs for the day, 2 % of Vitamin A needs, 2 % of calcium of iron.**

## FEASIBILITY STUDY

The acronym TELOS refers to the five areas of feasibility - Technical, Economic, Legal, Operational, and Scheduling.

### ❖ **Technical feasibility**

This assessment is based on an outline design of system requirements, to determine whether the company has the technical expertise to handle completion of the project. When writing a feasibility report, the following should be taken to consideration:

- ❖ A brief description of the business to assess more possible factors which could affect the study
- ❖ The part of the business being examined
- ❖ The human and economic factor
- ❖ The possible solutions to the problem

At this level, the concern is whether the proposal is both *technically* and *legally* feasible (assuming moderate cost).

The technical feasibility assessment is focused on gaining an understanding of the present technical resources of the organization and their applicability to the expected needs of the proposed system. It is an evaluation of the hardware and software and how it meets the need of the proposed system.

### ❖ **Economic feasibility**

The purpose of the economic feasibility assessment is to determine the positive economic benefits to the organization that the proposed system will provide. It includes quantification and identification of all the benefits expected. This assessment typically involves a cost/ benefits analysis.

### ❖ **Legal feasibility**

It determines whether the proposed system conflicts with legal requirements.

### ❖ **Operational feasibility**

**Operational feasibility** is a measure of how well a proposed system solves the **problems**, and takes advantage of the opportunities identified during **scope definition** and how it satisfies the requirements identified in the requirements **analysis phase** of system development.

The operational feasibility assessment focuses on the degree to which the proposed development projects fits in with the existing business environment and objectives with regard to development schedule, delivery date, corporate culture, and existing business processes.

❖ **Schedule feasibility**

A project will fail if it takes too long to be completed before it is useful. Typically this means estimating how long the system will take to develop, and if it can be completed in a given time period using some methods like payback period. Schedule feasibility is a measure of how reasonable the project timetable is. Given our technical expertise, are the project deadlines reasonable? Some projects are initiated with specific deadlines. It is necessary to determine whether the deadlines are mandatory or desirable.

**Other feasibility factors**

❖ **Market and real estate feasibility**

Market feasibility studies typically involve testing geographic locations for a real estate development project, and usually involve parcels of real estate land. Developers often conduct market studies to determine the best location within a jurisdiction, and to test alternative land uses for given parcels. Jurisdictions often require developers to complete feasibility studies before they will approve a permit application for retail, commercial, industrial, manufacturing, housing, office or mixed-use project. Market Feasibility takes into account the importance of the business in the selected area.

❖ **Resource feasibility**

This involves questions such as how much time is available to build the new system, when it can be built, whether it interferes with normal business operations, type and amount of resources required, dependencies, and developmental procedures with company revenue prospectus.

❖ **Cultural feasibility**

**In this stage, the project's alternatives are evaluated for their impact on the local and general culture. For example, environmental factors need to be considered and these factors are to be well known. Further an enterprise's own culture can clash with the results of the project.**

## ❖ Financial feasibility

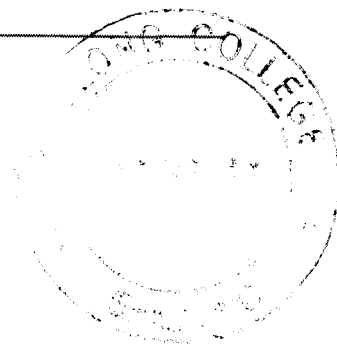
In case of a new project, financial viability can be judged on the following parameters:

- Total estimated cost of the project
- Financing of the project in terms of its capital structure, debt equity ratio and promoter's share of total cost
- Existing investment by the promoter in any other business
- Projected cash flow and profitability

The financial viability of a project should provide the following information:

- Full details of the assets to be financed and how liquid those assets are.
- Rate of conversion to cash-liquidity (i.e. how easily can the various assets be converted to cash?).
- Project's funding potential and repayment terms.
- Sensitivity in the repayments capability to the following factors:
  - Time delays.
  - Mild slowing of sales.
  - Acute reduction/slowing of sales.
  - Small increase in cost.
  - Large increase in cost.
  - Adverse economic conditions.





## STRATEGIC OVER VIEW

### VISION

“To be A SUPREME BRAND in the mind of our consumers”

### MISSION:

“To provide the best products and services possible to all our customers”

### CORE VALUES:

1. Commitment
  - ❖ Committed to helping the company grows and develops by producing the best products in the markets.
2. Delivery
  - ❖ Delivery of good products that aims to exceed the customers’ expectation.
3. Passion
  - ❖ Passionate about our business; and desirous to position company as expert and market leader.
4. Integrity
  - ❖ Integrity is at the heart of our business. Owner and employees confidentiality is always maintained to ensure that every introduction remains exclusive.
5. Knowledge
  - ❖ Having full knowledge of the market around us will make us understand our current position and that will determine our true self development.

### OBJECTIVES:

- a) To make pineapple juice and pineapple slices keeping in mind the needs and requirement of customers.
- b) To ensure regular supply of pineapple juice and pineapple slices.
- c) Production of safe items by maintaining quality standards.
- d) To educate the consumers regarding the use and contents of the products.
- e) To provide quality products so as to meet the customers’ expectation.

## **ORGANIZATIONAL STRUCTURE**

Wanmi will consist of 4 skilled workers, 3 semi-skilled workers and 1 salesman.

Thus, the total strength of all the people employed in the business is 8.

## MARKETING OVERVIEW

### MARKETING MIX

What it means? Marketing mix is the pack of four sets of variables namely, product variables, price variables, promotion variables and place variables. It is the blend or compound of all the marketing efforts hovering round the four elements of product-price-promotion and place.

Marketing mix is a set of marketing tools that Wanmi uses to pursue its marketing objectives in the target market. They are the tactical tools which we use to influence the target consumer.

*The elements of marketing mix are-*

#### THE PRODUCT MIX

A product is an overall concept of objects or processes which provide value to customers. Wanmi's products include pineapple juice and squashes and orange juice and squashes. The main objective of the Wanmi is to provide varieties of flavours according to the tastes and preferences of the consumers.

The product mix is made up of variables like product-line and product range, product design, the product package, the product quality, the product labeling, the product branding and after-sale services and guarantees.

#### THE PRICE MIX

Seeing price as a critical factor in the expansion of demand for our product, we keep our price tag attractive by pricing our product at a level acceptable to and affordable by our consumers. ***“Cheat me in price, but not in the goods I purchase”*** goes the Spanish Proverb that makes us match our price with the quality of our product. However, we will charge high price keeping in mind that if our product is really good and useful, affordability is hardly an issue because consumers are willing to pay a higher price for certain products or certain features.

The price mix is made up of pricing policies and strategies, the terms of credit, the terms of delivery, margins and the resale price maintenance.

#### THE PLACE MIX

Place or distribution mix stands for the matching arrangement for the smooth flow of goods and services from the suppliers to the producers to the consumers. Thus, a place called Megongre in East Garo Hills where the production of pineapples is large in amount. It is concerned with the creation of place, time and possession utilities. In other words, it signifies two things namely-physical distribution and the channels of distribution.

The place mix is made up of variables like transportation, warehousing, inventory levels, and the channels of communication.

## **THE PROMOTION MIX**

Promotion mix is the communication mix which deals with the personal and impersonal persuasive communication about the product or service of the manufacturer. Personal communications relate to face to face meeting between the sale-force of the company and the clientele. On the other hand, impersonal communications include- advertising, sales promotion and public relations.

The promotion mix is made up of variables like personal selling, advertising, sales promotion, trade fairs and exhibitions and public relations.

## SEGMENTATING, TARGETING AND POSITIONING

As economies evolve, consumer choice and requirements gets more focused. This calls for segmenting, targeting and positioning.

### SEGMENTATION

*“One cannot be everything to everyone; but one can be everything to a select few.”*

Market segmentation is the subdividing of a market into homogeneous subsets of customers where any subset may conceivably be selected as a market target to be reached with a distinct marketing mix. The power of this concept is that in an age of intense competition for the mass market, individual sellers may prosper through creatively serving specific market segments whose needs are imperfectly satisfied by the mass-market offering.

#### *Behavioral Segmentation*

We use Behavioral segmentation as the basis of our segmentation of our product market. In behavioral segmentation, buyers are divided into groups, on the basis of their knowledge of attitude toward, use of, or response to the product offered. We believe that behavioral variables-occasions, benefits, user status, usage rate, loyalty status, buyer readiness stage, and attitude- are the best starting points for constructing market segment.

1. **Occasions:** Buyers can be distinguished according to the occasions on which they purchase our product.
2. **Benefits pattern:** Benefits segmentation emphasize on wants and desires of consumers. Benefits sought by consumers are the basic reason for the very existence of the market segment. Consumers satisfaction directly depends upon product benefits, such as economy, taste, flavor, etc
3. **Use pattern:** Depending on the usage rate, we design our product different pack sizes-sachet packs for rural consumers and family packs or economy packs for large families- to meet the requirements of different users.

**In rural areas still there is a system of joint families and large families. As family size increases, consumption of consumables will also increase. In such case ‘family pact’ or economy packs works very well.**

4. **Brand Loyalty:** Loyalty segmentation enable us to tailor the promotional content and product appeal to retain the loyal customers, to attract new

customers from rival brands or to convert non-loyal into loyal buyers. It is seen that rural buyers take a long time to decide on a particular brand, but once they are convinced, they are more brand loyal than their urban counterparts.

## **TARGETING**

**A** target market is a group of customers that the business has decided to aim its marketing efforts and ultimately its goods. A well defined target market is the first element to a marketing strategy.

**Members** of target market share common needs and characteristics. These similarities are typically explained in terms of their demographic information and the specific need Wanmi hopes to fill. Common target market characteristics identified include age, gender, income, education and location.

## **POSITIONING**

**Meaning of positioning:** Positioning is a marketing strategy that aims to make a brand occupy a distinct position relative to competing brands in the mind of the consumer. Companies apply this strategy either by emphasizing the distinguishing features of their brand (what it is, what it does, and how, etc) or they may try to create a suitable image inexpensive or premium, utilitarian or luxurious, easily level or high-end, etc. through advertising.

**Wanmi** is supposed to be positioned in East Garo Hills where the climate is hot and where the production of pineapples is high compare with the other districts of Meghalaya.



## MARKETING STRATEGIES

### Marketing strategy

The logical, comprehensive plan of action through which, a firm intends to reach its objectives in the marketplace.

**Wanmi's** marketing strategy design and development flow from a thorough understanding of the consumer. Therefore, at the first instance, the consumer has to be understood and next the differences between the rural and urban consumer.

The rural consumer in majority of the cases is illiterate, a low income consumer, more price sensitive, more of social interactions within her/his group, and having imitational characteristics. This fact matrix leads to greater challenge to deal with the rural consumer. Therefore, a careful investigation has to be carried out with regard to

- ❖ Market segmentation by market potentials which would help the assessment of the markets by the consumer demand and purchasing ability.
- ❖ Consumer behavior and the consumer's priorities and preferences in consumer expenditure, sources of buying, quantum of each purchase, and time and conditions of purchase.
- ❖ How best to win the consumer, and make effective use of media.
- ❖ Who are the catalytic agents of change and what role can they perform vis-à-vis ones products?

**Against this background of the consumer, the marketing strategy has to be evolved. Further, there are constraints associated with markets-be it rural or urban- the inaccessibility, scattered rural villages, unprofessional retailers, etc. Some of the strategies that will be employed by Wanmi are**

#### *1. Product-management Strategy*

**In marketing, product strategy occupies a pivotal place. A decision made here is to slightly suit the rural consumer needs and perceptions or market a totally separate product. For instance, in rural areas, there may be a greater preference for smaller packs due to the lower income levels and therefore, in product design, we may consider it appropriate to go for smaller packs for rural markets.**

Moreover in planning products for villages, we ensure that the packaging is sturdy and robust because products meant for rural markets have to travel longer distances and the external packaging should withstand frequent handling. Moreover, considering the low level of literacy of village prospects, distinct colours, logos, and pack facilitating an easy identification of the product brand is a must in rural marketing.

2. *Price Leadership Strategy*

Pricing and discount policies would be affected significantly with a price leadership strategy. Across all product categories, Wanmi objective will be to have the lowest pricing in the industry. Moreover, Wanmi offers discounts based on the frequency and volume and purchases made by the customers.

3. *Differentiation Strategy*

Another alternative that Wanmi Company must consider is focusing on a differentiation strategy. Through this, it focuses on its differentiation objectives and goals aimed at establishing itself as one of the supreme brand. To better serve its customers, Wanmi will need to expand its store location outlets to include individual customer tracking and offer promotions based on frequent customer purchases.

With regard to promotion, this strategy will require Wanmi Company maintain its strong customer focus by enhancing its selling strategy, advertising, public relation image, etc

4. *Market Penetration Strategy*

A market penetration strategy seeks to increase market share for present products or services in the present markets through greater marketing efforts. This strategy is widely used alone or with other strategies. Market penetration includes increasing the number of sales persons, increasing advertising expenditures, offering extensive sales promotion items, or increasing publicity efforts.

**This strategy is effective**

- ◆ **When the current markets are not saturated with a particular product or services**
- ◆ **When the usage of present customers could be increased significantly**



- ❖ When the market share of the major competitors have been declining, while total industry sales have been increasing
- ❖ When the correlation between sales and marketing expenditures historically high
- ❖ When increase economies of scale provide major competitive advantage

#### 5. *Market Development Strategy*

Market development strategy involves introducing present products and services into new geographic areas.

This strategy can be especially effective

- ❖ When new channels of distribution are available that are reliable, inexpensive and of good quality
- ❖ When an organization is very successful at what it does
- ❖ When an organization has the needed capital and human resources to manage expanded operations
- ❖ When an organization has excess production capacity
- ❖ When an organization's basic industry is becoming rapidly global in scope.

#### 6. *Product Development Strategy*

Though this strategy, Wanmi seeks to improve sales by improving or modifying present products or services. Product development usually entails large research and development expenditures.

This strategy is especially effective

- ❖ When an organization has successful products that are in the maturity stage of the PLC; the idea here is to attract satisfied customers to try new (improved) products as a result of their positive experience with the organization's present products or services.

## **SOCIAL RESPONSIBILITIES**

### **TOWARDS DIFFERENT INTEREST GROUPS**

The facets and dimensions of our unit is the obligation it has to its interest groups also called “stakeholders”. The stakeholders in our business unit, is categorized into two categories: 1. Internal Stakeholders

#### 2. External Stakeholders

Internal Stake-holders in our unit include shareholder/owner, employees, suppliers, etc

External Stake-holders include, on the other hand, government, law, etc.

#### 1. Responsibilities of Business towards Consumers.

- f) Production of safe items by maintaining quality standards
- g) To ensure regular supply of pineapple and orange juice and squashes.
- h) To educate the consumers regarding the use and contents of the products
- i) Being truthful in advertising
- j) To follow fair trade practices
- k) To handle consumer complaints and grievances quickly
- l) To make pineapple and orange juice and squashes keeping in mind the needs and requirement of customers

#### 2. Responsibility towards the owners/shareholders

- a) To ensure safety of investment
- b) To ensure fair and regular return on investment
- c) To give complete information regarding the financial position of the business
- d) To ensure appreciation of investment by proper utilization of resources
- e) To give them opportunities to participate in decision-making

#### 3. Responsibilities towards employees

- a) Providing fair compensation and benefits
- b) Providing good and safe working condition
- c) Providing opportunities for personal growth and development
- d) To develop a sense of belongingness
- e) To provide incentives like retirement benefits

#### 4. Responsibilities towards Suppliers

- a) To ensure regular payment to suppliers
- b) To adopt fair dealings with the suppliers
- c) To assist local suppliers by placing orders with them

#### 5. Responsibilities towards the Government

- a) To abide by the rules and laws
- b) To pay taxes and duties on time
- c) To help in solving social problems on time
- d) To cooperate in planning, administrative activities of the government

#### 6. Responsibilities towards the communities

- a) To protect the environment from all types of pollution
- b) To provide more employment opportunities
- c) To bring improvement in the local areas where the plant is located by providing amenities like drinking water, dispensary, etc
- d) To help the weaker section of the society
- e) Providing economic stability
- f) To preserve social and cultural values

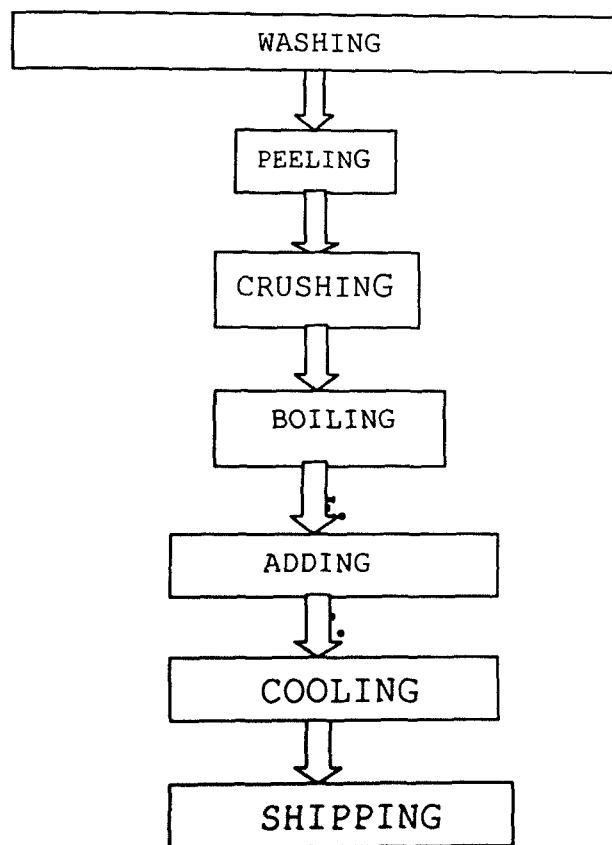
## MANUFACTURING PROCESS

The important steps involved in making fruit juice and squash are:

- Washing, cleaning, grading and peeling of fruits.
- Juice extraction and filtration for removal of seeds and fibers.
- Juice processing, sterilization and mixing of preservatives.
- In case of squashes, juice is mixed with syrup of sugar, citric acid and water and this mixture is stirred till uniform solution is formed.

The manufacturing of the proposed pineapple juice and orange juice involves many steps and different sub-processes. Ripe and matured pineapples are washed, graded and peeled. Then they are crushed in the crusher to obtain juice. Juice is then taken to vessels and boiled and certain preservatives are added. It is finally taken to storage tanks and packed in bottles on vacuum filling machines. The average yield is around 80%.

The Process Flow Chart is as under.





## CAPITAL INPUTS

### 1. Land and Building

Built up area of about 125 square meters shall be adequate. A ready-made shed of this size could cost around Rs. 4.37 lacs. About 75 square meters would constitute production area whereas balance space can be utilized for packing and storage.

### 2. Plant and Machinery

To ensure financial viability of the project, it is desirable to install production capacity of 120 tons per year considering around 250 working days due to non-availability of fruits during about 3 months. To have this production capacity, following equipment are required.

Item	Quantity	Price (Rs)
Fruit Washing Tanks	2	12,000
Juice Extractors	2	1,20,000
Steam Kettles (60 ltrs. Capa.)	2	48,000
Stirrer	1	24,000
Bottle Washing and Filling Machine	1	90,000
Boiler (100 kgs. Capacity)	1	72,000
Testing Equipments	--	18,000
	<b>TOTAL</b>	<b>3,84,000</b>

### 3. Miscellaneous Assets

The Project would require other assets like exhaust fans, stainless steel vessels for storage, furniture, storage racks etc. for which a provision of Rs. 55,000/- is necessary.

### 4. Utilities

Total power requirement shall be 40 HP whereas water requirement per day shall be 1500 ltrs. Annual expenditure under this head at 100% capacity utilization would be around Rs. 99,000/-.

#### 5. Raw Material

The all important raw materials shall be fresh oranges and pineapples. It is estimated that around 80,000 hectares are covered in the North East region for orange and pineapple cultivation of which Meghalaya accounts for 17,000 hectares with average production of 80,000 tons per year. Oranges are available from November to March and Pineapples from August to October and December to February. Even at 100% capacity utilization, the project would require 55 tons of oranges and 110-115 tons of pineapples due to wastage of almost 90%. Hence, availability will not be a bottleneck. Other items like additives, preservatives, sugar etc. shall also be required in small quantities. Packing materials like food grade plastic bottles glass bottles shall also be required in large quantities for which proper supply arrangements shall have to be met.

## HUMAN RESOURCE REQUIREMENT

### Man Power Requirements

Particulars	Nos.	Monthly Salary (Rs)	Total Salary (Rs)
Skilled Workers	4	2,070	8,280
Semi-skilled W.	3	1,725	5,175
Salesman	1	1,725	1,725
		Total	15,180

## COST OF THE PROJECT AND MEANS OF FINANCING

Items	(Rs. Lacs)
Building	4.37
Plant and Machinery	3.84
Miscellaneous Assets	0.55
P&P Expenses	0.55
Contingencies @ 10 % on building and plant and machinery	0.82
Working Capital Margin	1.62
Total	11.75
<b>MEANS OF FINANCE</b>	
Promoters Contribution	3.52
Term Loan from Bank	8.23
Total	11.75
Debt Equity Ratio	2.33:1
Promoters' Contribution	30%

## PROFITABILITY CALCULATIONS

### 1. Production Capacity and Build up

The installed production capacity would be 120 tons per year and the actual capacity utilization is assumed to be 60% in the first year and 75% in second year.

### 2. Sales Revenue at 100%

Product	Qty (tons)	Selling Price (Rs)	Sales (Rs.lacs0)
Orange Juice	25	41,400	10.35
Orange Squashes	35	48,000	16.80
Pineapple Juice	25	36,000	9.00
Pineapple Squashes	35	48,000	16.80
		Total	52.95



## CONCLUSION

Orange and Pineapple are two of the popular fruits and are liked by majority of the people irrespective of their age group. East Khasi and East and South Garo regions in Meghalaya have very good base of pineapple and orange cultivation. As is the case with most of the fruits and vegetables, their availability is limited during the year. Many techniques have been developed to make available seasonal fruits during off- season, canned pineapple juice and squashes are such products. Pineapple is consumed as dessert in fruit salads, cakes and pastries, etc. Thus, there are a large number of consumers who would like to consume pineapple and orange squashes and or juices.

Orange and Pineapple products include squashes and juice. Both these fruits have exceptional juiciness and a vibrant tropical flavor that balances the tastes of sweet and tart. In order to increase the shelf life and to make pineapple juice, squashes, and oranges juice and squashes, Wanmi takes the initiative to process them in order to add value to the same.

Climatic conditions in Meghalaya permit cultivation of large variety of horticulture crops including vegetables, flowers, spices and medicinal plants. Also, it produces a substantial quantity of different fruits, fruits like orange, pineapples, pears; peaches, plums, guavas and bananas are grown in the region. But the major fruits grown in the state are Khasi Mandarin (40, 892 tones), Assam Lemon (3962 tones). Other major fruits are Pineapple (1, 17, 767), Banana (86, 432 tones), Papaya (5981 tones).

Therefore, since pineapple and orange are two of the major fruits produced in the state, there is a good opportunity of obtaining it at a lower cost, as our raw material, for our factory than getting or exporting it from other countries or neighboring states.

EWANMI SHYLLA



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