

Institute of Management, Nirma University



Summer Internship Project Report 2020

Final Report

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SPORTS 365



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Purpose of Report

Conduct an analysis on data collection and analysis for sports and fitness company

Prepared for

Institute of Management, Nirma University

Faculty Guide

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Executive Summary

The changing work in life balance nowadays and increase in unhealthy lifestyle has lead to many physical fitness problems around the world. Sports and Fitness industry provides solutions for such problems by offering sports goods to individuals and gain back the fitness.

In India sports and fitness industry is still in very growing stage primary being dominated by small start up and few big online retailers who are into this completions indirectly.

With the introduction of technology this sector of sporting goods have been shifted to E commerce mode where both start up and big MNCs face offs. In order to survive on continuously grow in this market it become very important to know the basic of its elements. Which in case of sporting goods industry are the basic distributor as well as the vendor of some particular brand. Having them are very need of the market and with their support an organization can't survive on the other hand it also becomes equally important not to be over dependent on them also. Major E-commerce giants thanks to their financial funds can overcome this dependence by investing in warehouses and so. But if the start up want to overcome this hurdle they have an option to for data collection and management of these vendor. If a startup organization go for more and more number of vendor ob boarding them then in such case degree of dependency on any one particular supplier is get reduced.

Also more vendor and distributors onboard with them helps in increasing the geographical reach of the business and it can avail the maximum benefit out of the market situation. But as a start up growth to a certain level they need to take a decision whether to continuity working on same model of large number of supplier onboarded them or they should go for some warehouse investment.

1.Industry Profile

Sports And Fitness Industry

The growing imbalance between professional work and personal life, along with unhealthy lifestyle had came in the life of many individuals at the cost of physical health. This is where The industry found scope for its operations. Fitness and sports industry offers solutions for problems related to fitness in the form of various sports equipment. Basically the industry aims to provide easy access of various sports equipments of different sports like tennis basketball, cricket rackets sports like tennis badminton and many more to all its potential customers geographically located around the market.

Apart from being a solution to various physical problem sports itself is an magical and social craze that has created different meaning for different individual weather being part of it as a player playing in local area with friend or as someone playing at top level.

Many people also associated this industry which includes sports events for example world cup, Olympics and many more. This is not correct. This industry deals in offering sports goods for fitness and professional purpose only.



Figure 1: Sporting goods

Source link: https://www.google.com/search?q=sportsing++goods&tbm=isch&ved=2ahUKEwj_Myo-7XqAhUqhEsFHZH0ATcQ2-cC

Sports industries also include various wearable technologies and fitness equipment of gyms and any more.

These are the following few key facts of this Industry

- Nike, Adidas, Under Armor, Puma, Reebok asics are some of the major brands in the Industry.
- Outsourcing trend: One of the unique things about this industry is that many of the top brands outsource their production function to some other companies in order to cost advantage. They mostly focus on key decisions.
- Regional specific demand : Demand of various sports items are determined by various factors like age and many more but one of the key factors in this is which sport is the most preferred in that particular region. For example, sports equipment related to cricket like bats, balls etc will be more demanded in the Indian subcontinent, on the other hand basketball and other ball games will be more demanded in the American region.

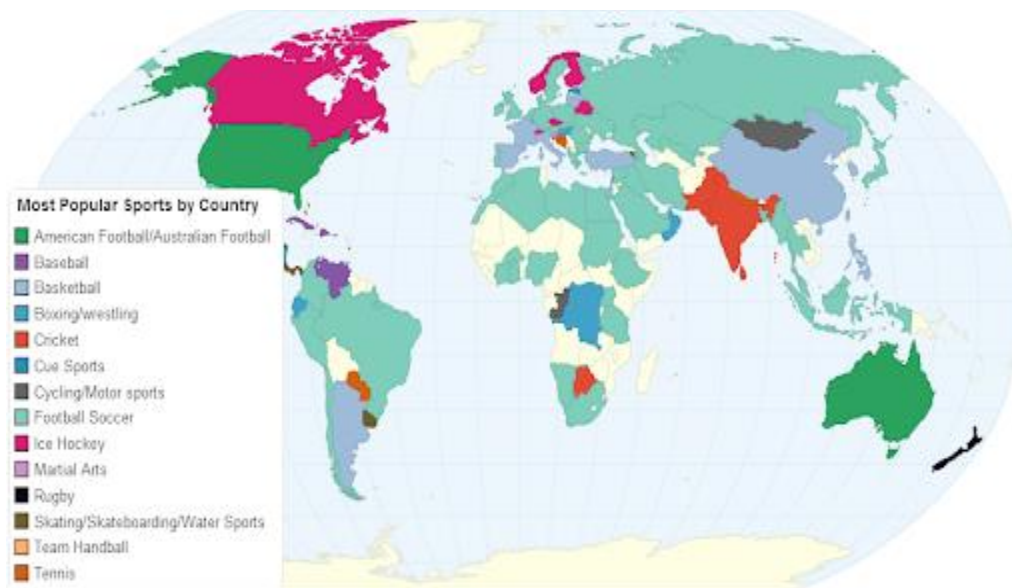


Figure 2: Country with their most popular sport

Source lin <http://chartsbin.com/view/33104>

Academy purpose : Another new trend this industry is witnessing is the demand of sports goods by various sports training academy, who are into providing training for some sports.

And with the penetration of these academy in tier 2 and tier 3 cities The demand is continuously increasing and has made sports and fitness one of the fastest growing industry in the world.

1.2 Indian Scenario

According to sports goods manufacturing and exportation accusations sporting goods industry in India distributes 318 types of sports goods of almost every sports.

According to India brand equity foundation, Indian sports industry is many decade old industry which mostly operates on labor intensive model. Its provides to .5 million people in the country directly and as far as the market value is concern Indian sports market values is 3,314 Million \$ industry presently and it is expected to increase to 5655 million dollars by 2023.

There are many reasons behind this continuous trend of growth which includes India being a hugely populated country having 19.1 percentages of people in the age group of 15-24. And overall around 40% of the population of the country is under the age of 35. Such an impressive size of potential customers makes sure there is continuous trend of demand of various sports and fitness goods in the country.

Another interesting reason behind this impressive growth in the country is increase in the interest for various other sports other than cricket in this country. Since many decades cricket has dominated as most favorites sports for Indian. Although it still host the top spot in hearts of many Indian but there are other sports also which has found place in hearts of many Indians. This change in the mindset of potentials customers has generated demand for sports equipment other than cricket.



Figure 3: Sports in India

Source : <http://www.businessworld.in/article/Rewriting-India-s-Sporting-Culture/24-04-2017-116917/>

As far as the supply of the sports goods in the country is concern JALANDHAR AND MEERUT perform are the two major sports equipment producing cites for various major brands. There are many manufacing units set up in these two cities and these two cities combines the 80 % of Totals India's sports ouptput.

In the process of supply chain of these sports equipment there are various parties involved in the process.

Domestically produced goods: If the sport good is produced domestically in the country. The process of

Manufacture > Distributor > Vendor > Customer

Manufacture : It is the organization which manufacturing the goods for the company and put the logo of company on the goods. Most of the manufacture of various sports goods are located in two cities

Distributor : Once the goods are manufactured, Distributor take care of distributing the goods to various vendor in bulk quantizes. Most of the distributor of the goods are located in metro cities of the sates from where they distributes goods in their region.

Vendor : They sell goods directory to end users. They can be in the form of local stores located in many parts of the cities or in the form of e commerce model. They sell goods mostly in low quantities.

- Imported goods: Although India produces most of its sports demand domestically but there are few goods like badminton and table tennis whose are being imported from foreign country. The process of there supply chain is given below

Manufacturer > Importer > Distributor > Vendor

Importer is the firm which is being officially appointed to distribute goods in that country

Company Profile (Part-A)

2.1 Company Details



Figure 4: Company logo

Source link: <https://www.sports365.in/speedo-men-s-sports-logo-jammer-black-fluo-yellow-83020.html>

The Name of the Company is Sports365

The Company's headquarter is located at Bangalore.

The Company was founded in the year 2012.

Sports365Pvt Ltd also known as pulse365 is a Bangalore based startup that offers sports goods of various sports across the country. Not only that it has tie up with various educational schools which they use to distribute school uniforms and shoes (although their key business is still offering sports equipment only)

It was founded by in 2012 by two of its founder G. Chandra Sekhar Reddy and Aashutosh Chaudhari in the age of 31 and 32 years in may 2012 with the initial investment of rupees 1 crore which was raised with the help of funding from their friends and family.

Nowadays they are offering more than 35,000 product of around 150 sports brands including all the major brands like Nike, Reebok , and many more.

Sports365 uses both online and offline mode to distribute its products but it is more inclined towards the online mode. They have only a few brick and mortar stores and those are also located in Bangalore only. Its online portal is www.sports365.com.

2.2 Organization History

The organization was founded in the year 2012 with the initial investment of Rs 1 crore

- In the initial year organization was focused on proper usage of the funds available to them through seed funding.
- In the year 2013 they introduced their first store in Bangalore and in the same year they came up with their online portal named sports365.in for selling sports goods in the India market.
- From the year 2013 onwards they started to board distributors for their business models. Initially they were more particular about distributors located around Bangalore only not Pan India.
- By the year 2015 they were able to board as many as 150 sports brand and they were offering around 35,000 products in the market and at the same time they started their Pan India operations.
- By the year 2016 they were selling sports products to various big online portals of India like flipkart, amazon
- In its offline mode, They were able to tie up with more than 250 institutions which includes educational, corporate and many more for offering solutions around sports goods, merchandise, apparel and infrastructure to corporate, schools, sports clubs and training academies.
- In the year 2016 new funding of 7 crore Rs from US based IT companies
- Since the time they got funding their key focus was to build a strong core management team for the company.
- Since then they were able to board many good leaders which are graduated from top management schools of the country and at the same time they understand the basics of this sports and fitness industry.
- The company also able to board many big sports personalities with them like Mahesh Bhupathi, Yuvraj Singh and Deepika Pallikal.

2.3 Brief Detail of Top Management and CEO

Sports 365 or pulse pvt limited by founded by two IIM Lucknow graduates G. Chandra Sekhar Reddy and Aashutosh Chaudhari after getting 8 years of corporate of experience in the industry Of consulting .

The top management team of sports 365 includes

- Aashutosh, who leads the Marketing and Analytics functions.
- Vinay, who leads the institutional sales vertical of business and has lead sales at hospitality and sports/fitness brands in India
- Dheeraj: He leads the effort on Product management, Usability and business development.
- Moy : leads fulfillment and logistics functions.

2.4 Size of Organization

Sports365 Pvt ltd has is a Bangalore based start up it has three offices in India located in Bangalore , Delhi and Hyderabad.

There are around 250 full time employees working in the company and rest of the company member are working as an intern in the organization.

2.5Products/Services

Product The product offered by sports365 are basically sports goods that are generally required for playing that particular sports. Its product are divided into three categories that has been shown below

The basic reason behind such further sub division is that company have tie up with top manufacturing brands of these goods and company provide directly to sports 365.Which they make sure that goods of these games would be in cretin best of quality

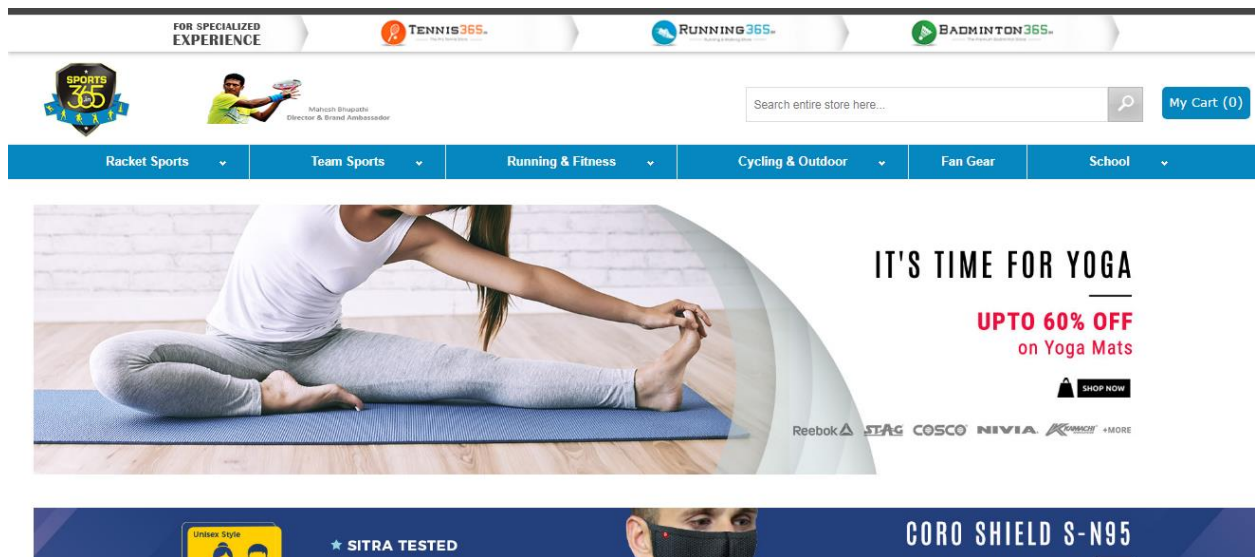


Figure5 : Sports 365 webpage

Source : <https://www.sports365.in/>

Tennis: Tennis365.in is a further sub link of sports365.in where they sell tennis goods of those brands who had made tie up with them. These brands make sure that the goods produced for the sports 365 are of the best quality. The brands which have been associated with the sports365 are WILSON, HEAD COSCO PRINCE AND YONEX. Apart from offering tennis rackets, it also offers other tennis-related products like tennis shoes, balls, etc.

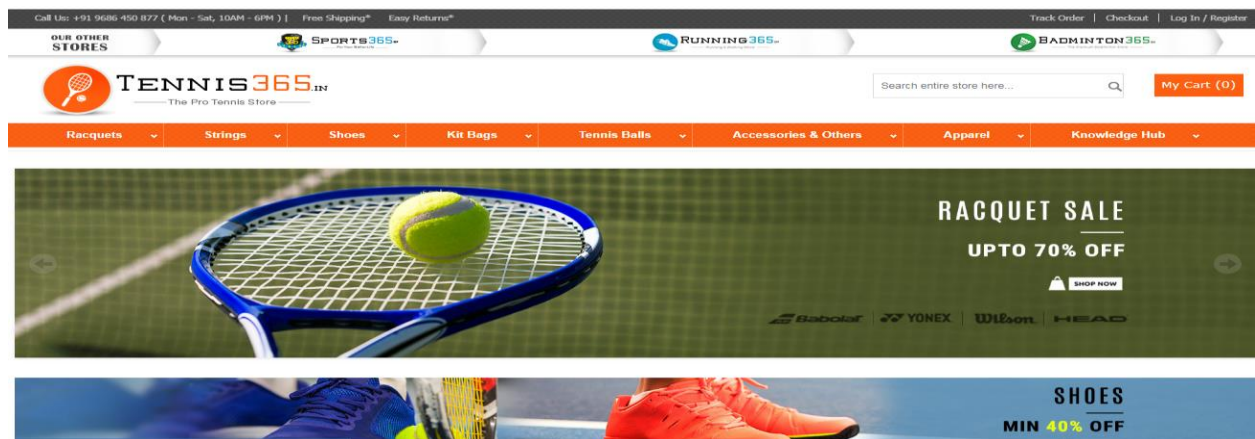


Fig 6 : Tennis365 webpage

Source: <https://tennis365.in/>

Running: In this offering of the products, sports365 had tie up with various shoes running brands like Nike, Puma, and many more major brands of the country. These brands make sure of enough

supply of these running product throughout the 365 days of the years and of course the goods were manufactured by making sure the they are of premium quality one.

This category of the brands also offering various other products apart from running shoes. They also offer stylish apparel for both men and women and other training items like gym equipment and many more. At least they are also selling some misc items that are use in running like water bottles etc.

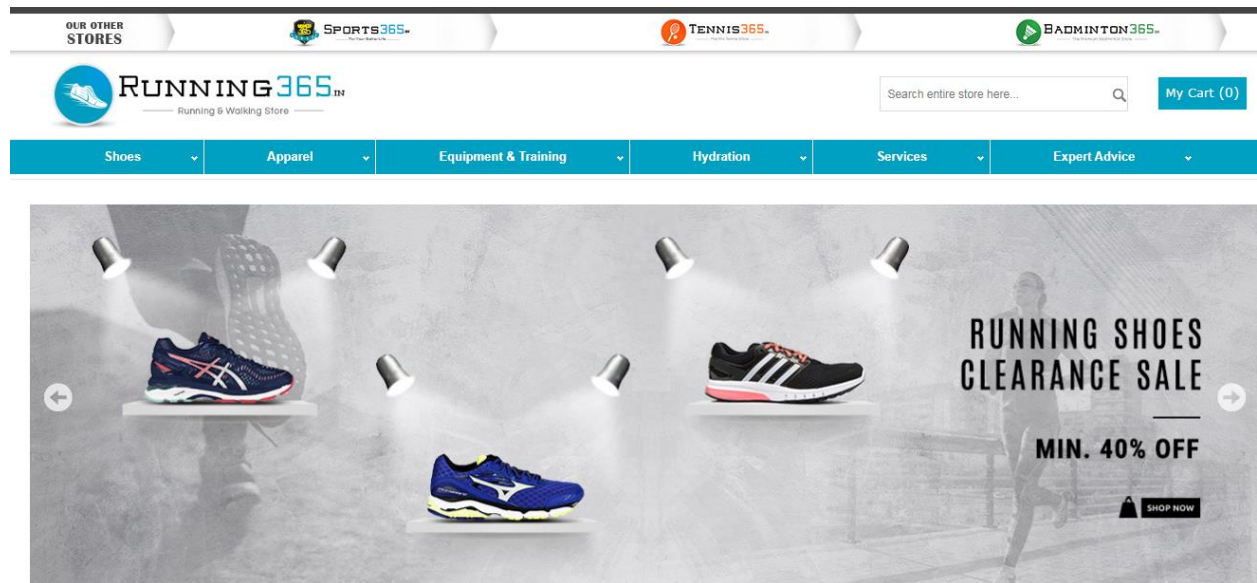


Figure 7: Running365 webpage

Source : <https://running365.in/>

Badminton: In this subsection of sports365.in that is badminton365.in the company offers badminton products like rackets, string shoes , shuttles and many more. In case of badminton they have tie ups with almost all kind of major top brands like Yonex, li-ning, Apacs, HRC ,AVM COSCO and many more.

Not only that sports365 offer its product in very unique way in which the they offer product on the basic of level of knowledge or age facror is there

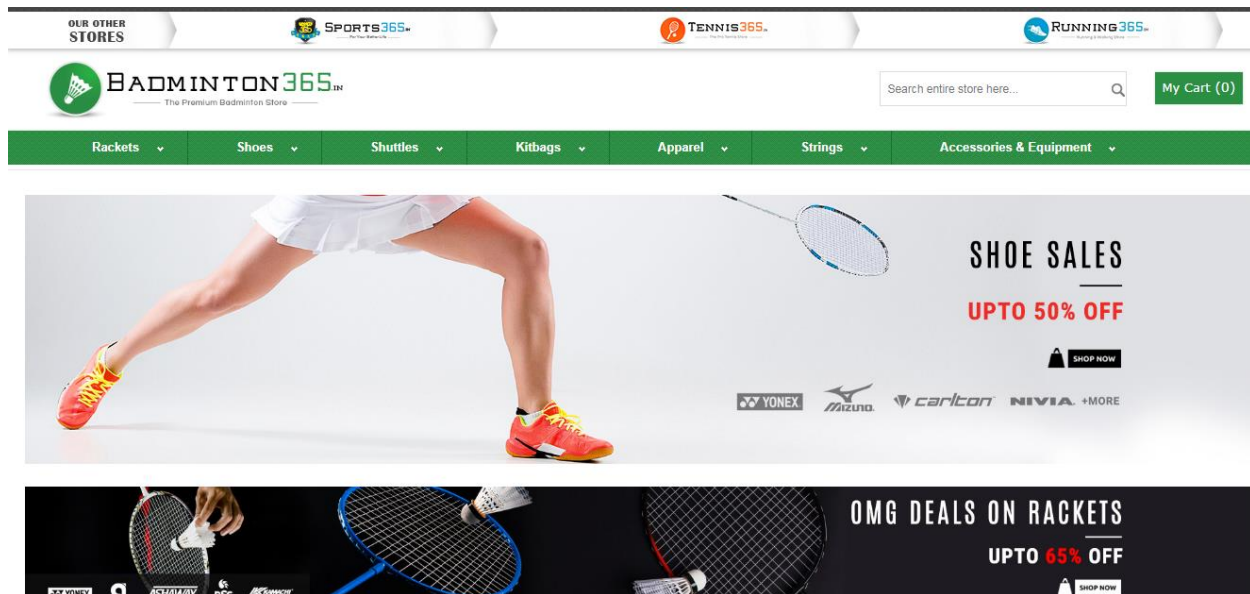


Figure 8: Badminton365

Source: <https://www.badminton365.in/>

Other: In the order section of the sports365 it means all those goods which were not a part of the about four mentions above it. These includes goods like equipments like bats balls stumps etc all those which are required to play any kind of particular game. It is available on the portable of sports365.

School offering: One of its small segment where its offering doesn't match with the other range of products are schools uniforms and shoes. They have tie up with various schools and educational institutions across the country and for them sports365 distribute the uniforms and shoes.

Pricing

The price offered by the sports 365 is almost same when it is being compared to its competitors in the market like Flipkart Amazon and many other.

The reason behind such strategy is that their main focus is to provided sports and fitness solutions to individuals as well as institutional of premium quality and offering prices at lower price than their rivals in the market present them as a firm which can be compromised on the basics of quality

2.6 Customers

These are the following types of customer with whom sports 365 deals with in their daily operations:

Individuals: These includes those customers who purchase this product in very low quantities. Most of their individual customer purchase their goods from their online portal only few of them visit their brick and mortar store in the Bangalore. They purchase basic sports goods like football, a pair of running shoes cricket accessories and more items related to sports

Educational institutions: Sports365 has also been in the business of providing school uniform and shoes to around 250 school all over the country. They use their of premium qualities

Sports 365 make sure that they offer goods of premium quality for their customer and in order to do so they (sports365) approach the manufacturing units of these major brands and come up with various offerings as a part of school uniform.

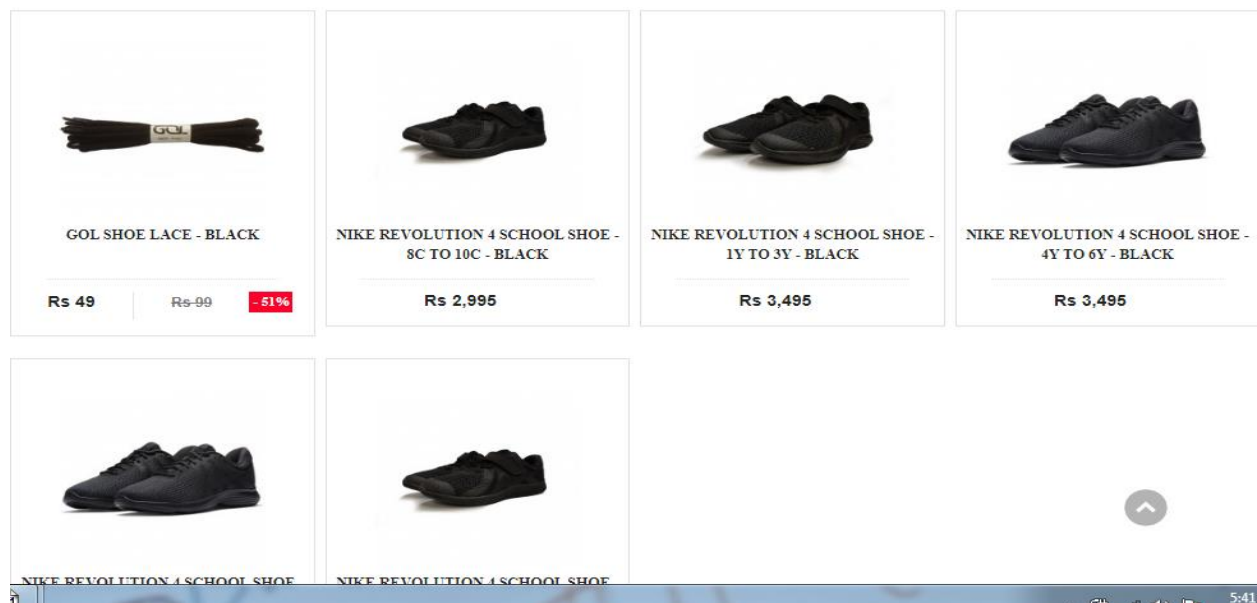


Figure9: Uniform Shoes offers by sports365

Source: <https://www.sports365.in/chirec-international-school.html>

2.7 Market and competition

These are the following main competitors of sports365

Sports365 sells most of its goods with the help of using its e-commerce platform and as far as the e-commerce platform for particular sporting goods are concerned, there is not any big players present in the market. Yes, there are few local players in the market. It is because the market is still growing. But there is a presence of indirect competition that the company is facing in the market.

- Online: In the online sector sports365 faces competition with big online retailers stores like flipkart amazon etc. although they do not particularly focus on the sports goods like sports365 but their offering made a huge difference in the market.

They have very strong network of supply chain and they are more cost effective than compared to and start up in the industry.

- Local retail stores: Most of the sports goods consumer prefer physical touch experience with their sports equipment while purchase them .Which is not possible with this company (as far as location outside the Bangalore is concern) Hence these local shops of sports are also very major threat.

One of the advantage these stores hold over the e- commerce model is that there is no waiting time between purchase of goods and delivery of them same. Customer gets his or her product just after he or she made the payment for the same.

Details of competitors: The details of the competitors mentioned above has been given and explained below:

Amazon



Although flipkart doesn't particularly sells sports goods just like what sports365 do. But thanks to there big supply chain network they are are competitors to any on the company who is selling some kind of goods through e commerce platforms.



Fig 11: Amazon logo

Source: <https://visualhierarchy.co/blog/amazon-logo-meaning/>

Amazon: It is one of the biggest company in the world. Amazon India is the biggest name in Indian E- commerce business. Among the thousands of products they sells on online also includes sporting goods. This big multinational company is a major threat to the sports³⁶⁵.

Project Work (Part-B)

3.1Introduction

The project is titled as “Data collection and management by a sports and fitness company”. The main focus of the project is to get more and more data related to the key institutions involve in the process of supply chain. So that the overall process of the company becomes more effective as well as more efficient.

3.1.2Nature if the problem

Being a sports and fitness companies which offers various sports and fitness goods like basic equipments required to play the games. It uses mostly e-commerce mode for the purpose of its operations in which there are various institutions involved in it. Those institutions have been mentioned below

Importer: Since some of the products of major sports brands are being manufactured outside the country, these sports companies appointed few Indian companies to import product of that brand in the country. They import those goods in bulk quantity.

Distributor: Once the goods are manufactured, Distributor take care of distributing the goods to various vendor in bulk quintiles. Most of the distributor of the goods are located in metro cities of the sates from where they distributes goods in their region.

Vendor: They sell goods directory to end users. They can be in the form of local stores located in many parts of the cities or in the form of e commerce model. They sell goods mostly in low quantities.

Hence it becomes important for the company to have data related to all these institutions so that firms can improve its supply chain process. Thus to have an updated data regarding these institution becomes important.

Other kind of problem in its operation is because it uses just in time process in which the company places the order directly to the distributor or to vendor of the product only if they got

an order from the customer. The main reason behind this method is to avoid the warehousing cost and also it avoids the blockage of liquid capitals as well because organization after this doesn't need to purchase goods in bulk quantity.

But this given process comes up with certain drawbacks which has been mention below

➤ **Increased Dependency on distributor:** In just in time process dependency on distributor (suppliers) is increased too much . Which is very dangerous for kind of organization. Moreover there are certain sports whose distributor are very few in numbers for example badminton. Distributor can take this advantage to get more margin in the process of. Supply chain.

➤ **Time consuming:** The process of just in time consumes way more time because by using just in time the outsourced delivery agency in the first step will go the distributor or vendor (suppliers) after which the agency will take the order from the suppliers and they will proceed the good to the end user. This process consumes more time as compared to if the product were already stored in the warehouse of the company.

➤ **Unit buying:** One of the biggest drawbacks while using the process of just in time is that many of the seller were reluctant to sell single of few order. Its is difficult to board a selling who is willing to sell goods in low number

3.1.3Objectives of Study

To get more and more data of the the organizations invloed in the process of supplychian and understand the process of onboard them with the organization. So that we can analysis the process of values chain creation in this industry.

3.1.4Expected Benefits

These are the following be benefits

- Boarding more vendor and distributor means reducing the dependency on them which basically avoids risk.
- The data related to the distributor and vendor can be use to increase the business reach of the organization.
- The more data we have about the vendor or distributor the more our chances of boarding the supplier who is willingness to sells goods to us in small quantities.

3.2 Methodology

It means series of steps, methods or techniques whose used is administrated by a process that is superimposed on a whole.

Approach

The approach in the given study is both qualitative and quantities. The reason for calling this approach as qualitative is because there are certain qualitative features involved in it which needs to be taken care of while collecting the data. For example

Geographical locations: Geographical location of the distributor or the vendor plays an important role while deciding weather to we should approach him for onboard with us or not. The location of the vendor must be within certain reach. For example if a football supplier is located in Delhi and our customer base of football is in Northeast India, in such case there is no point of boarding him because the complete process would be very costly. As the distance will add our cost of operations (delivery charges)

Brands in which they are dealing: One of the biggest factor while getting information about the various distributor or vendor is to know about the brands in which they are dealing. A particular supplier can deal with multiple brands also. If we already have enough number of suppliers of certain brand then in such case there is no point of wasting time in collecting and approach that supplier. Rather than we should go for the one brand which we lags in our offering.

On the other hand there were many quantitative feature involves in it like minimum order quantity, quoting price etc. Those have been defined well below

Minimum order quantity: The company is very particular about the usage of just in Time in its operations process. So with respect to just in time process organization cant boards those vendors or distributor who is reluctant to sell goods to use in low less quantity(many current distributor) of the company are selling goods even if it a single order also.

So it become important to know whether there is certain minimum order quantiyy or not.

Price quoted: One of the biggest quantative factor while approaching the vendor or distributor is to know the price they will quotes for that brand. The Price should not be much high also it should not be too low.

If the price quoted by distributor are very high then it will reduce the margin of sports 365 because our organization cannot offer sports good more than what the other online players like flipkart and amazon are offering. Hence higher quoting price is not acceptable.

If the price quoting by the distributor are very low: Although the offer sounds interesting but there are many fake distributor also in the market. Knowing about them and approaching them will only waste our precious time. Hence those quoting very low price must be avoided.

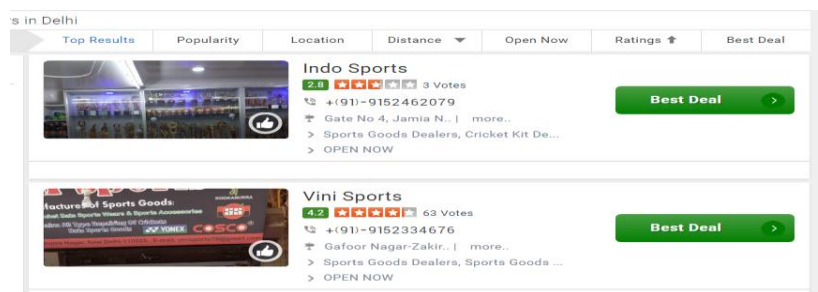
3.2.1 Sources of Data

These data collected by us was secondary in nature because we mostly use the information available on the internet.

For the purpose of collecting data of the key institutions involved in the process we were depended on various online portals like justdail, India mart and official websites on the majors brands to know the key importer in India.

In detailed discretion has been given below

Justdail: It is more of the best way to get the desired data because by using just dail for the purpose we are able to get the number from them. And since the one who is selling goods has posted his or her number, The probability that this is a genie very are very high.



Pic 13: Just dail showing cricket suppliers near me

Source : justdail screenshot

India mart: This site is for India business to business deals where retailers as well as the wholesalers use to connect to each other. In our process of data collection we also use this site.

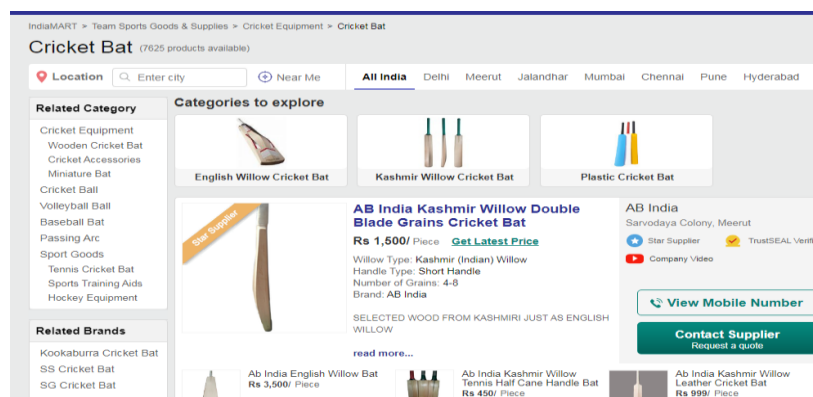



Fig14: India mart website showing cricket bat suppliers

Source: screenshot of India mart

Official websites on the majors brands



BADMINTON

TENNIS

GOLF

RUNNING

NEWS

ABOUT

AMERICA

AFRICA

EUROPE

ASIA

MIDDLE EAST

OCEANIA

AMERICA

USA: YONEX Corporation

Canada: YONEX CANADA

Mexico: La Loma Proshop

Argentina: SUPERBRANDS S.A.

Brazil: Licensing Development

Chile: SPORTING BRANDS LTDA

Panama: Supro Mundial, S.A.

Fig14: Yonex distributor list

Source: Yonex website screenshot

3.2.2How this information was analyzed in order to understand the problem in its proper Perspective and if necessary to redefine the problem?

The data the was collected in the given process o f data collection was further divided into three category based on the convince of organization. Those three category has been given below:

- **Sports and Brand:** In the first category the key objective was to get to know about the major sports brands of different kind of sports so that we can offer more and more products to our customers.

By doing this we will be able to get the idea of all those brands which are not with us yet and hence we can approach them and their partners.

- **Importer and distributors:** This category includes those data which are related to key importers of sports product in the country. They don't sell goods in single units but having in contact with them is useful in long term mission of the company.

Knowing the main and local distributors of that particular brand will help us to know about supply chain of that product and if we are able to convince them for single unit order then it will be beneficial as margin earned from them are more.

- **Local vendor:** These include those vendor which are based in a particular city and they are ready to sell goods even in single quantity. Having more and more data of these vendor will help us in reducing the dependency on the supplier.

3.2.2.1Current Problem

When an industry operates most of its operation on online platform boarding the middle man become a key challenge for them. Success or failure of an online portable indeed depend on the number of vendors board with them. The higher the number there would be more number of products with more geographical reach available with the company.

Flipkart & amazon these are the two E-commerce giant of Indian market. Both of them have at least 2 lakhs vendor board with them. This shows how critical it is for an organization which operates with e commerce platform to have more and more number of vendor with them.

Having more vendor or distributor only will not work in a country like India. It is also equally important to have vendor for diverse geographical location also. Otherwise There would be a lot of market that would be unpenetrated.

For example: Suppose of don't have a vendor in Northeast part of India and someone from the Assam placed an order of cricket bats and other kit goods and the nearest vendor is located in the lucknow city of utter pardesh. Such an order would not be profitable for the company because the additional delivery cost will reduce our profit margin and if we put that cost on the solders of customer. Then in such case the cost of the overall goods would be more than compared to what the competitors is offering for the same product or what is being offered by those local stores in the market.

3.2.2.2Exploration of Current scenario(Misc)

Since majority of the market for the sporting goods and companies is now being shifting on the e commerce model of operation where there are two types of companies operating. Those has been given below

1. Giant E-Commerce
2. Medium Size start ups

There are different ways in which how these two companies approach there operations in many ways. For example

Giant E-commerce: As far as the giant e- commerce companies like flip kart and Amazon are concern they have million dollars in there reserve they can approach various marketing techniques order to promote their website. As thanks to there big financial power they can easily invest in the warehouse and have them at different location of the country.

Hence they can avoid the just in Time approach, by doing this company can save critical time of operations as compared to those medium size start ups.

Medium Size start ups: On the other hand these medium size startup they faces various other kind of challenges. Most of these are because of limit amount of funds available to them. Hence they can't invest to build large number of warehouse. Hence it become necessary for these startup to operates on just in time model.

By doing so this start up avoids the blockage of their liquid capitals. Since by using just in time process the organization is not required to invest in bulk buying of the goods.

3.3. Exploration of the alternatives

These are the following alternatives available to the company regarding the problem of study explained.

- **Investment in warehouse:** Invest in warehouse will help the company in reducing the time taken to deliver the product from vendor to the final customer on the sports equipment.

Moreover investment in warehouse would help companies in the long term of its operations. By doing this they can reduce the time they are taking in the process of delivering goods to the end customer.

- **Onboarding the distributor:** On boarding the distributor of different brands would help us in increasing the per unit margin earned from the goods. And more the number of distributor board the less will be the company dependent on them.

3.4 Criteria for Evaluation

- **Capital constraint:** Since the organization is start up there are limited amount of resources available to them. So while evaluating any of the alternatives available to the organization it is important to consider the capital, manpower etc capacity of the company.

Not all companies can have enough financial resources aviable to them to invest in the warehouse espiecilly for startup it is very difficult decision to take as they already run very short on fincanical powers

- **Objective of the company:** It is also important to consider the objective of the company in mind while choosing any of the options available for the problem. Whether the given alternative is aligned with the short and long term objective of the company or not.

- **Feasibility:** While deciding any of the other options available to the company for the mentioned problem it becomes important to take note if the potential solutions are practically feasible or not.

Just in time approach: There has been much focus by the company on just in time approach while taking our decision we also need to take care note of it

3.5 Evaluation of alternatives

These are the few ways in which the solutions can be achieved by the small and medium size startups in the industry

- **Investment in warehouses:** They can't completely dependent on the just in time method at some point in their business life cycle these growing companies need to regions that the time has come to invest in warehouse. Investment such a high capital would be a difficult thing to do especially for small scale start ups but this could be achieves to some extend b medium scale start ups. There is no doubt that investment in warehouse would reduce the operation time of the process but there are the following drawbacks of the option. Those drawbacks has been given and explained below:

Capital constraint: The biggest challenge while investment in the warehouses and other kind of investment. The biggest constraint an organization in the industry faces is lack of financial power to do so. Apart from two or three firms in the industry who have lots of financial funds available with them, most of the other funds faces financial problems sometimes and it would not be easy for them to invest in warehouse. But at the same time, These organization need to understand the importance of warehouse and how important those are for their growth of the business organization. An organization in the market can't completely rely on just in time method on its business operations.

- **Doesn't match companies' just in time approach:** One of the major reasons why many organizations in the industry are very reluctant to invest in the warehouses is that the warehousing models doesn't match with the just in time approach I the business organization.

For this organization need to understand the companies cant forever relay on just in time approach in times when they wanted to grow as an organization etc they have to invest their profits in warehouses because warehousing model is more time efficient as compared to the just in time.

Liquid capital blockage : Many small and medium size startup also worries that the model of warehouse will block their capital (liquid capital like cash current account etc) because using this approach the company have to invest in inventory in the form of bulk buying of goods. And the return on those goods would not be achieved until the last unit of the PARTICULAR IS GOT SALED. Hence the short term capital of the organization is got blocked in the process. That is the reason why many of the small and medium size startup are not satisfied with this model.

But at certain point we need to take a bold decision. Not having inventory ready when the organization gets an order delays the tenure of goods deleviary. Which has an impact on the image of the customer.

- **On boarding distributor:** Instead of boarding vendor(who genarally agreed to sell goods to us at higher price when compared to the distributor)boarding distributor would be a nice option as the margin earned from distributor's are more as compared to the vendor but there are also certain drawback of this steps also

More dependency on suppliers: Onboarding more an more distributors instead of vendor would mean what the firm would be becoming more and more dependent on the supplier (Which if in this case would be distributor) The more the number of distributor an organization will have onboard will them the less dependent it will be on the distributor and of course the more safe it will be as far as the long term of the organization is concern.

- **Distributors doesn't take single quantity order:** On of the key difference between vendor and distributor is that distributor takes or der mostly in bulk quantities only they wont take

order say of 2 tennis racket only etc. There are certain minimum limited that has been put by the distributor in order to purchase that good.

This feature of distributor doesn't match with the operation idea (Just in time) of most of the organization in the market because by doing this those organization would end up having inventory left and short term capital got blocked.

Although boarding distributor would help us in increasing the per unit of [rofit margin earned by the organization.

Analysis of Just in time

These are the following perks and drawbacks of using just in time process.

Perks of using just in time process on E commerce model

- **Avoids blockage of liquid capital:** By using the just in time process the firm is not long required to invest in warehouse for the storage. The delivery agent directly go to vendor and take the order and deliver it to the end user. Hence company doesn't required to invest its money in the bulk buying of inventory.
- **No investment in fixed capital:** By using just in time method these startup companies no longer required to invest their capital in building and maintaining warehouse which meaning that capital could be better utilize somewhere else.

These are the following drawback of using Just in time process

- **Increased Dependency on distributor:** In just in time process dependency on distributor (suppliers) is increased too much . Which is very dangerous for kind of organization. Moreover there are certain sports whose distributor are very few in numbers for example badminton. Distributor can take this advantage to get more margin in the process of. Supply chain.
- **Time consuming:** The process of just in time consumes way more time because by using just in time the outsourced delivery agency in the first step will go the distributor or vendor (suppliers) after which the agency will take the order from the suppliers and they will proceed the good to the end user. This process consumes more time as compared to if the product were already stored in the warehouse of the company.

- **Unit buying:** One of the biggest drawbacks while using the process of just in time is that many of the seller were reluctant to sell single of few order. Its is difficult to board a selling who is willing to sell goods in low number

3.6Conclusion

3.6.1Nature of the solution

On the intense study of the current situation I have come up with the recommendation that the company must now invest in the warehouse

Investment in the warehousing will help the company in the long term of its operation in the following ways

- **Permantaley reduce dependency on suppliers:** In my experience of working with the firm for around two months I have come up with this that the company is very much dependent on its suppliers, which is a very dangerous as far as the long term of the business is concern hence it become important to start investing in the warehouse
- **Reduces delivery process :** On one angle where this company is not able to perform well when compared to those major MNCs are its delivery time is very high because of its huge focus on just in time approach the delivery process is taking very much time on an average a good is getting delivered in around 8 days to the end user.

3.6.2Recommendations and action plan

Investing in warehouses would not be an easy step to take it waill take huge amount of financial resources of it these are the following steps need to be takes.

- **Warehouse Near New Delhi:** Although Bangalore has been the biggest source of revenue for the company since many years but company already have many vendors on board with them that city. And a warehouse in New Delhi would also help in storing the sports goods which is being produced in Jalandhar and Meerut. This will also help in reducing the delivery time in North Inidan region.
- **Rent:** Since we are not sure about the end result of investing in a warehouse, so no need to make a big investment at very start we can the warehouse for first few quarter and if then sing are positives we can go for a purchase according to financial conditions of that time.

4.Learning's from Summer Internship Project

- This summer internship gave me my first time experience to a practical corporate world, where I got to know how important it is for everyone to work as a team (showing teamwork) and at the same time how important it is to perform well you assigned individual task.
- Although my task was very basic in nature but later I got realized that it is the core of almost every online E-commerce based organization. Vendor and distributors. Wheater a small start up or a multinational company. Such small steps makes the major different.
- This two month experience with the company helped my knowing the importance of cost cutting in the business organization. Since the organization were very particular about various ways to reduces the cost whenever possible. It implication on whole operations can be seen positively.
- This internship helped me in using my critical thinking and come up with the new idea like how can we further contribute in the organization
- There use to a time in a day when we have a conference call including Mr. Sathesh(My manager) ,Potential supplier and me. There interaction and conversation helped me in growing my business communications skills, which going to help me in the long run.
- Working in start-up also gives me an idea about how an organization, which is being driven of passion works. (you are suppose to do many things in different verticals when time comes)
- The internship experience helped me in developing interpersonal skills and speaking and interacting with the experts was a good experience to have
- I was first selected for the sales for and I was very excited for it but the shift to Data collection job taught me that in an organization every job is interconnected like I was collecting those data of vendors which I was suppose to visit.
- In the last two month I have discussed many times with my manager about the challenges the organization faces while competing with the big MNCs brands.

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