

Report On Summer Placement

Conducted at

BALKRISHNA BOTTLING INDUSTRIES



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Goa - India

BY

RICHITA ALINA VAZ

2166

DECLARATION

I RICHITA ALINA VAZ certify that this report has been prepared by me and is entitled to BALKRISHNA BOTTLING INDUSTRIES under the supervision of Sagar Balkrishna. This report has not formed the basis of any diploma or degree. The report is to be submitted to GOA BUSINESS SCHOOL, GOA UNIVERSITY- GOA as fulfilment of the 2nd semester internship programme of the MASTER OF BUSINESS ADMINISTRATION programme.

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GOA BUSINESS SCHOOL-GOA UNIVERSITY

MBA PART 1

DATED:13/07/2022

CERTIFICATE

This is to certify that this project report is a record of work done by RICHITA ALINA VAZ during the period of study; under my guidance to the best of my knowledge and that it has not previously formed the basis of an award of any degree or diploma at the Goa University or elsewhere.

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TO WHOM IT MAY CONCERN

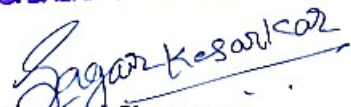
This is to certify that **Miss Richita Vaz**, a student of MBA (General), Goa Business School, Goa University, has successfully completed an 8 weeks (From 16th May 2022 to 8th July 2022) long internship programme at **Balkrishna Bottling Industries, Goa**.

During the period of her internship programme with us, she was found punctual, hard working and inquisitive.

We wish her every success in life.

For Balkrishna Bottling Industries

 **BALKRISHNA BOTTLING INDUSTRIES**


Authorised Signatory
(Sagar Balkrishna Shet Kesarkar)

ACKNOWLEDGEMENT

During the completion of my 8-week internship at Balkrishna Bottling Industries, I was helped by various individuals by means of constant support and complete guidance to which I am very grateful and would like to thank all of them.

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EXECUTIVE SUMMARY

Balkrishna Bottling Industries Pvt. Ltd. is a Company incorporated in the year 2000. It's Bottling Plant is located in Assagao, Bardez Goa. The Company has developed its own Brand of Carbonated Beverages "GOOD DAY". It's brand of PET bottles currently has 9 flavours including a recently launched Club Soda which are available in 250ml. Clear Lime, Cola Orange, Limca and Club Soda under the same brand name are available in 350ml returnable glass bottles.

The following are the departments I studied over the 8 weeks course of my internship.

Production Plant: Handling the production process right from filling till packaging the bottles

Purchase Department: Ordering material requirements and finding quality suppliers

Human resource department: Handling the recruitment process, keeping attendance, granting leave and handling job trainees.

Logistics Department: Maintaining storage for the materials and the required inventory, handling customer complaints, taking client orders and ensuring timely delivery.

R&D Department: Preparing flavour syrups, improving existing and developing new products according to market demands, quality testing and analysing market demands.

1. SECTION A

1.1. INDUSTRY PROFILE

The market segment of a Soft Drink industry covers all types of water-based Non-Alcoholic Drinks with added sugar. This includes Carbonated Soft Drinks like cola and lemonade, Non-Carbonated Soft Drinks like fruit nectars, fruit juice drinks, flavoured water and ready-to-drink (RTD) tea and coffee, and Energy & Sports Drinks. While Carbonated Soft Drinks have been on the wane for quite some time now as health-oriented consumers shift to low-sugar diets, smaller segments of Non-Carbonated Drinks like RTD tea and coffee especially have taken up some of this slack.

The most important brand manufacturers in the Soft Drinks category are the Coca-Cola Corporation, PepsiCo, Red Bull and Keurig Dr Pepper.

The traditional non-alcoholic beverages market has been facing a lot of challenges due to a decline in the demand for traditional carbonated soft drinks due to loaded sugar and artificial sweeteners, lack of skilled workforce, and huge capital costs.

Market Size

In terms of revenue, the non-alcoholic beverages market in India was valued at INR 336.50 billion in FY 2020. It is expected to reach INR 1,131.52 billion by FY 2027

- The market is expected to grow annually by 4.18% (CAGR 2022-2026).
- In global comparison, most revenue is generated in the United States (US\$312.00bn in 2022).
- By 2026, 7% of spending and 2% of volume consumption in the Soft Drinks segment will be attributable to out-of-home consumption (e.g., in bars and restaurants).
- The average volume per person in the Soft Drinks segment is expected to amount to 3.91 L in 2022.

Segment insights:

- The non-alcoholic beverages market is categorized into two segments - carbonated and non-carbonated beverages. The carbonated beverages market segment was valued at INR 134.60 billion in FY 2020 and is expected to reach a value of INR 349.64 billion by FY 2027, expanding at a CAGR of ~15.12% during the FY 2022-FY 2027 period.

- The carbonated beverages segment is anticipated to lose its market share during the forecast period because of the massive expansion of the non-carbonated beverages segment. Over the past few years, non-cola aerated drinks have gained popularity, especially fruit drinks. Leading manufacturers are reshaping their corporate strategies to suit consumers' concerns regarding health.

Impact of COVID-19:

- With the onset of the second wave of the pandemic in April 2021, the non-alcoholic beverages industry faced immediate challenges due to the closing of all outlets that hampered their supply chain. Key industry players introduced new drinks and increased door-to-door deliveries to drive sales. Due to the disruptions in global supply chains, the government introduced significant policies by imposing the strict FSSAI guidelines for quality assurance and management of food products. Indian manufacturers of carbonated beverages witnessed their worst quarter between April and June 2021.
- However, during the second wave of COVID-19, there was a steep rise in the sale of non-carbonated beverages, especially in segments such as packaged drinking water, primarily because of improved health awareness. The disrupted supply chains of prominent brands during the nationwide lockdown paved the way for regional players to increase their shares in local markets though having small supply channels, and direct-to-trade incentives marketing. (Statista, n.d.) (today, n.d.)

1.1.1. Porter's Five Forces Analysis – Soft Drink Industry

Bargaining Power of Customers

- The soft drink market is the largest group in the non- alcoholic beverage industry. The carbonated beverages market segment was valued at INR 134.60 billion in FY 2020.
- Because the soft drink industry is very competitive, switching suppliers is relatively easy and the price difference is rather small. Difference can occur based on geographic location and how far the products need to travel.
- There is no need for information on how to use the product, it is a simple task.

- Because a soft drink is a hard thing to duplicate in your house and takes a considerable amount of time, manufacturing your own soft drink is inconvenient especially when you take into consideration how low of a cost the product is.
- Customers are highly sensitive to the price of soft drinks and are willing to change brands if one becomes much more expensive than the other. Soft drinks are not a need and people won't pay any price for it.
- Products are very unique in the soft drink industry and people are very brand loyal to the drink of their choice. Though many of the sodas are rather similar in type they have distinct tastes.
- Firms often provide incentives to customers on the buyer side. These incentives are often done in the form of contests such as winning tickets to the IPL or deals such as getting 20% cashback. These deals can often sway customers to choose a particular brand.

Bargaining Power of Suppliers

- The inputs, specifically the materials are extremely differentiated as every firm is trying to create the best product. Each firm has a different formula, colour, and flavour for their beverage. No two products are typically exactly alike. Product innovation is necessary to fulfill the buyers needs for a variety of tastes.
- Firms can switch between suppliers very quickly and easily. Suppliers for the soft drink industry do not hold much competitive pressure. Suppliers to this industry are bottling equipment manufacturers and secondary packaging suppliers. In terms of equipment manufacturers, the suppliers are generally providing the same products. The number of equipment suppliers is not in short supply, so it is fairly easy for a company to switch suppliers. This takes away much of suppliers' bargaining power.
- It is fairly easy to become a supplier within the industry and thus they would not find it difficult if they wanted to enter. The companies will choose the suppliers that do the best job and have the best price. If another supplier does the same job but is cheaper, the firm can switch without much issue.
- There are many current and potential suppliers in this industry. Soft drink companies own a portion of their own supply companies. For current and potential suppliers, it is fairly easy to enter or succeed in the industry as supplying the soft drinks is not a difficult task.

It's all about price and how efficient of a delivery job they do. Companies are willing to switch suppliers whenever it is necessary.

- Business is extremely important to the suppliers as the soft drink industry is an enormously profitable market. The main revenue for these supply companies comes from delivering the soft drink beverages from the firms to the customers.

Threat of New Entrants

- Existing firms have cost and performance advantages in this industry. This is because existing firms have already purchased large capital expenditures and have economies of scale. They also have direct supply and distribution channels setup.
- Soft drinks are not proprietary products because anyone can make soft drinks. The only proprietorship is on patented flavours and brands.
- The majority of soft drinks have well-known brand identities, with the exception of generic brands. Brand identities define soft drink flavours (i.e. Sprite means lemon-lime, or Coke means cola)
- There are no significant costs in switching suppliers. The soft drink industry is very competitive, so prices only fluctuate slightly depending on geographical location (transportation) or short-run sale discounts.
- A lot of capital is needed to enter this industry because there are large capital costs needed for manufacturing. Bottling, distribution, and storage could be contracted out, but it would likely increase costs in the long run and weaken the supply chain.
- A newcomer to the industry would face difficulty in assessing distribution channels. The major brands already control the main distribution channels, such as big supermarkets, gas stations, and restaurants. They have low costs, competitive pricing, and strong business relationships.
- Experience in this industry does help firms to lower costs and improve performance. The major brands run on economies of scale, and have experienced the highs and lows of the industry and overcome them. New entrants can learn from the first entrants history but do not have first-hand experience.

- There are licences, insurances, and other difficult qualifications required in this industry. Companies must get FSSAI approval to sell their product, have licences to produce and distribute, and insurance to cover potential lawsuits, accidents, or faulty products.
- A newcomer in this industry can expect retaliation from current companies. The soft drink industry is an oligopoly with existing firms having strong distribution channels, relationships with suppliers, retailers, and brand value to customers. The industry leaders have the tools necessary to force out new competitors.

Threat of Substitutes

- Available substitutes do not have performance limitations or high prices that would justify their use over the products in the soft drink industry because substitutes are not priced at a high enough cost where it would affect their use as a mainland product.
- Customers would not incur costs in switching to substitutes. The choice of switching to a substitute for a customer would in most cases be the difference of price.
- There are substitutes for carbonated beverages, like water, tea, sports drinks, etc.
- Customers are not likely to go for substitutes because brand name loyalty is a very strong competitive pressure in this industry.

Rivalry Among Existing Players

- The growth rate for the industry is not rapid; it is in fact relatively small. This makes it very difficult for new entrants to compete with the already thriving firms in the industry.
- The industry does not necessarily have overcapacity at the moment. However, if a newcomer were to try and enter the industry, its current players would make it very challenging because of brand loyalty and recognition amongst customers.
- The fixed costs are a high proportion of total costs for a firm in the soft drink industry. Fixed costs act as a firm barrier to entry and can include costs for utility bills, business licences, etc.
- There are significant brand identities among the firms in the industry, which is why brand names are an important competitive edge amongst new businesses.
- It actually would be difficult to get out of business because of money lost from fixed costs and advertisements, as well as binding contracts with set distribution channels.

- Customers would not incur high costs from switching from one player to another. The most they may incur would be a few cents because the prices in the industry do not fluctuate much among the firms.
- Since the products in this industry are simple carbonated beverages, there is no need for significant customer-producer interaction because customers purchase the products mainly based on taste.
- Market shares in the industry are not more-or-less equally distributed among competitors. This is evident because there are three main firms that own approximately 90% of the industry, yet there are over 100 companies in the industry (wire, n.d.).



1.1.1.1. PESTLE ANALYSIS

Political Factors

Food Safety and Standards Authority of India (FSSAI) Regulation

- These regulations define which ingredients can and cannot be used in the product, how the product is produced, where it is produced, as well as other laws concerned with the quality and health effects of the product.
- There are potential fines set by the government if companies do not meet a standard of laws regarding manufacturing, production, and distribution.

Waste Management Regulation

- Waste from firms' manufacturing plants must be taken care of in a responsible and legal manner. If any of the waste management laws change, companies must update their processes to abide by the law.

Legal Factors

- Consumer laws, discrimination laws, employment laws, & health/safety laws
- Firms must provide nutritional information of their product to the customer.
- Employees must be provided with at least the required minimum wage and discrimination is not tolerated in the workplace
- All factories of the firms must abide by OSHA (The Occupational Safety and Health Act) standards and regulations.
- If any of these laws change, companies must change their operations and procedures to avoid being fined or even worse, shut down.

Economic Factors

- Cost of raw materials can be a factor if the economy for certain materials is weak. Sugar and carbonated water make up most of the content, but there are a lot of preservatives and flavouring such as ascorbic acid, gums, pectins, etc.
- Government intervention in the free market and related Consumer Goods

- Exchange rates & stability of host country currency.
- Infrastructure quality in Beverages - Soft Drinks industry
- Skill level of workforce in Beverages - Soft Drinks industry.
- Labour costs and productivity in the economy
- Business cycle stage (e.g. prosperity, recession, recovery)
- Unemployment rate, Inflation rate and Interest rates

Socio-cultural Factors

Consumer Choice:

- Age is the most important characteristic when evaluating consumer choice
- The older generation is more health conscious and tends to consider nutritional factors between products (diet or zero-calorie options)
- The younger generation leans towards products that are fun and new.
- Celebrity endorsements, attractive commercials, and sweepstakes become more important to the younger generation in their product decision.

Diet Craze:

- India the third most obese country in the world and studies have speculated a link between soft drink consumption and obesity.
- Dieting has become a very marketable, popular trend which forces the soft drink industry to create new products that meet consumer preferences.

Social Media:

- Social media outlets (i.e. Facebook, Twitter, Instagram) keep consumers directly connected to the brand.
- Firms are able to obtain valuable information and suggestions from consumers about potential or current new products.
- Provides firms a low advertising cost with global outreach.

Technological Factors

Automation:

- New tech advancement in manufacturing and quality improvement concepts are improving bottling operations efficiency.
- High product volume requires high levels of automation in manufacturing. Technological advances increase the utility of employees and capital, which increases productivity.
- High costs for new technology can be an entry barrier to new competitors.

Marketing:

- Technological advancement helps create new brands and product lines to meet consumer preferences.
- Improved logistics help products move through distribution channels more effectively. This keeps distribution costs down while increasing sales information to consumers.
- Social media provides huge growth in consumer awareness, brand value/identity, promotions, and direct-to-consumer communication.

Environmental Factors

- Climate change.
- Laws regulating environment pollution.
- Air and water pollution regulations in Beverages - Soft Drinks industry.
- Recycling and waste management in Consumer Goods sector.
- Attitudes toward “green” or ecological products.
- Attitudes toward and support for renewable energy are environmental factors affecting the soft drinks industry.

(University, n.d.)

2. SECTION B

2.1. COMPANY PROFILE

It all began as an initiative of a young and energetic entrepreneur Mr. Shantadurga Balkrishna, who with a vision and a young dream in his heart founded Shantadurga Bottling Industries back in 1986, a company which manufactured only soda water at their plant in Assagao, Goa, India.

In 2000 a new industry started by his son Mr. Sagar Balkrishna with the same product line by the name “Balkrishna Bottling Industries” with the brand name ‘GOOD DAY’. Since then the company has flourished and has expanded its market not only in Goa but also in the neighbouring states like parts of Maharashtra. Today, Balkrishna Bottling Industries has carved a niche for itself as one of the leading soft drink manufacturing company in Goa.

When Balkrishna Bottling Industries initially started its operations, they started off by manufacturing only Soda in Glass Bottles. Today "Good Day's" PET bottles currently has 9 flavours which are orange, clear lime, cola, limbu soda, pineapple, jeera masala, limca, ginger and club soda which are available in 250ml and 400ml priced at Rs 10 to meet the taste buds of every individual. Clear lime, Cola Orange, Limca and Club Soda under the same brand name are available in 200ml and 350ml returnable glass bottles priced at Rs 10. The packing of a multicolour corrugated box contains 12 PET bottles and the glass bottles come in 24 bottle crate. The product is stamped best before 4 months from date of manufacturing for PET bottled products, while glass bottles come with a 6 months' usage period.

Their highest selling products are:

- Under glass bottles- Soda
- Under PET bottles: Orange, Limbu soda and clear lime

They believe and cherish their commitment towards society by manufacturing and supplying safe and quality products. They strive hard towards customer satisfaction through continuous improvements in product, production system and compliance to all statutory and regulatory requirements and product safety requirements of customers. Every Balkrishna Bottling Industries product is put through quality checks to make sure that their customers are provided with the best and their loyalty towards their products stays intact.

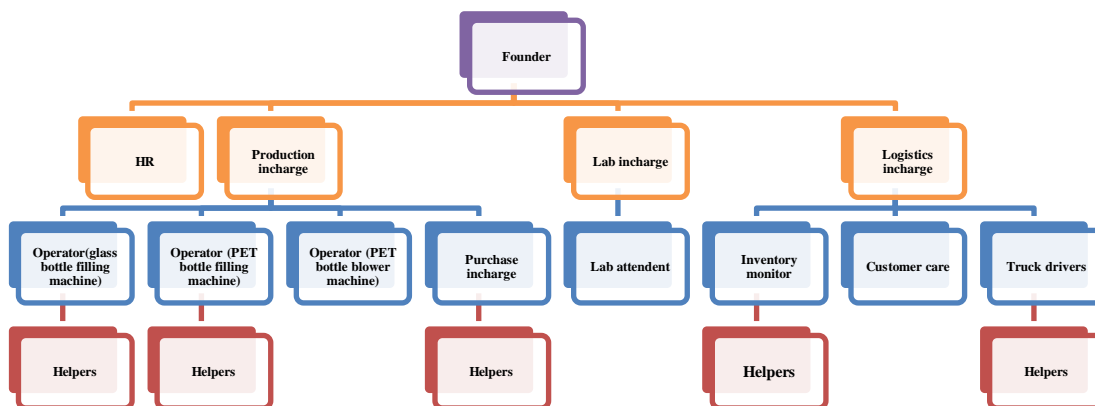
2.1.1. Company Mission

The Balkrishna Bottling Industries mission is to increase sales, market share and profits by providing only quality products that our customers desire through professional, information-based and quality service.

2.1.2. Company Vision

To be the best in all aspects of our business as perceived by customers and suppliers.

2.1.2.1. Organisation Chart



3. SECTION C

3.1. SWOT ANALYSIS

Strengths

The strengths in the SWOT Analysis of Balkrishna Bottling industries are as mentioned:

1. Balkrishna Bottling Industries has been able to build a strong base of customer loyalty. Since its induction, the company has been able to acquire over 100 customers with around 40% who still continue being loyal to the brand for over 20 years.
2. The brand offers a wide range of flavours to choose from, specifically crafted according to customer demands in the market
3. The company doesn't use any sort of artificial flavouring i.e no synthetic flavouring which are unhealthy and often cause allergic reactions and food hypersensitivity.
4. Since the company has been in operation for the past 22 years, they have gained good market experience, a strong distribution network and a decent market share.

Weaknesses

The weaknesses in the SWOT Analysis of Balkrishna Bottling industries are as mentioned:

1. Limited brand recognition via online and offline medium compared to top brands and Goan brands like taan, Zen, Kesarwal etc
2. Due to presence of a lot of soft drink manufacturing companies in Goa, the market share is limited since customers have a lot of substitutes to choose from
3. There are no high barriers of entry within the industry due to ease in the availability of ingredients and packaging.
4. The company's soft drinks have high sugar contents that raise health concerns, thus making customers shift to healthier options.

Opportunities

1. The growing expectations of the consumer's need for new products or flavours provides a continuous opportunity for innovation.
2. They can increase their reach in untapped markets to boost their product, expanding their market and increasing profits.
3. They have the potential to explore the healthier drinks market segment and start a full-fledged business for health drinks, widening their product range.

Threats

The threats in the SWOT Analysis of Balkrishna Bottling industries are as mentioned:

1. People have started shifting towards a healthier lifestyle lately and so avoid carbonated drinks.
2. There are a lot of healthier substitutes like fruit juices, sugar free drinks available which might affect market share.
3. Threats from other internal products of the company gaining market share. For example, club soda may take share from soft drinks.
4. The recent economic slowdown, inflation, instability and increased tax rates have affected the company's profit margins.

3.1.1. VRIN(VRIO) ANALYSIS

Resources	Value	Rare	Difficult to imitate	Non-substitutable	Competitive Advantage
Brand loyalty	YES	YES	YES	YES	Competitive advantage
Wide product range	YES	NO	NO	NO	Competitive Parity
Brand image	YES	YES	YES	YES	Competitive advantage
R&D	YES	YES	YES	YES	Competitive advantage

Distribution network	YES	NO	NO	NO	Competitive Parity
Skilled employees	YES	YES	YES	NO	Competitive Parity
Taste	YES	YES	YES	NO	Competitive Parity
Service	YES	NO	NO	NO	Competitive Parity

Valuable:

Brand loyalty: Yes, it has helped them grow their business

Large product range: Yes, it has helped Balkrishna Bottling Industries to cater to a wider market by meeting various customer preferences.

Brand image: Yes, brand image drives value and is important for managing an impressive market presence.

R&D: Yes, it helps Balkrishna Bottling Industries to continuously innovate and respond to changing market situations.

Distribution network: Yes, it is an important resource enabling Balkrishna Bottling Industries to serve the local market and maintain its presence.

Skilled employees: Yes, it helps Balkrishna Bottling Industries manage their operations efficiently.

Taste: Yes, it's something that differentiates them from their competition

Service: Yes, it helps them function smoothly to keep the business running and also ensures good customer experience.

Rare:

Brand loyalty: Yes, this required the company to build a special bond with their customers over the years

Wide product range: Not absolutely rare, their competitors also deal in a wide product range.

Brand image: Yes, they have been able to build a good brand image for their products over the years. However, their competitors also have a strong brand image.

R&D: Yes, but their competitors too place heavy focus on R&D.

Distribution network: Yes, they have managed to build a strong customer base over the years with an efficient distribution network.

Skilled employees: Yes, due to being able to retain most of their employees, specially those at management levels who have been with the company for a long time.

Taste: Yes, though there are a lot of companies providing similar taste products

Service: No, all their competitors provide similar services

Imitability:

Brand loyalty: Yes, it is difficult to imitate the services

Wide product range: No, all their competitors offer a similar product range

Brand image: Not possible to imitate. However, a competitor's strong brand image can be a threat. – Competitive parity.

R&D: Imitable because other companies too invest in R&D. – temporary advantage

Distribution network: Yes, their competitors also have a distribution network.

Skilled employees: No, they have been working with the company over a long time.

Taste: No, it can be imitable to a certain extent but it's not possible to get the exact same taste.

Service: Yes, all their competitors have already been offering similar services as theirs.

Non-substitutability:

Brand loyalty: Yes, it takes time to build customer loyalty

Wide product range: No, all competitors offer a wide range

Brand image: Yes, Balkrishna Bottling Industries has built a good image in terms of the quality they offer

R&D: Yes, they have a great team who understand the company well

Distribution network: No, this can be outsourced

Skilled employees: No, these can be substituted with machinery

Taste: No, a lot of brands offer similar tasting products

Service: No, these again can be outsourced

4. SECTION D

4.1. DEPARTMENTAL ANALYSIS

Production Department

The production department is the most important part of this company. It's where the filling and packaging of the products takes place. Balkrishna bottling industries manufacture more than 5000-6000 bottles on a daily basis and have a demand of 4500 units for PET bottles and 4800 units for glass bottles per day and goes even higher during season which is from Feb-May. Their manufacturing capacity is 120bpm (bottles per minute) for glass bottles and 80bpm (bottles per minute) for PET bottles. They follow a make-to-order(MOT) manufacturing production process type where they produce according to customer order which makes it easier to manage inventories and respond to market demand. Their production department consists of 2 units which each batch manufacturing 4500 bottles. Unit 1 for PET bottles and unit 2 for glass bottles. The company operates on a smaller level and since washing the containers for production is a tedious and time consuming process, it is inconvenient for them to produce all the flavourers on a daily basis, so only one flavour of PET bottles and one of glass bottles is produced per day. Waste water from the cleaning process is treated in accordance with the BSI act requirement and used by the owner to water his vegetable plantation.

Following is the production process:

Clarifying the water

The quality of water is crucial to the success of a soft drink. Impurities, such as suspended particles, organic matter, and bacteria, may degrade taste and colour. They are removed through water filters.

Flavour Syrup Preparation

The mixture of sugar, flavourings, essences, and water is called syrup. This is prepared by the lab attendants according to the quantity and type of flavour to be manufactured on that particular day.

Mixing the ingredients

The syrup is pumped into the dosing station where the water and syrup are carefully combined by machines, called proportions, which regulate the flow rates and ratios of the liquids.

Carbonating the beverage

CO₂ is added to the finished product. The temperature of the liquid must be carefully controlled since carbon dioxide solubility increases as the liquid temperature decreases. The amount of carbon dioxide pressure used depends on the type of soft drink. For instance, their club soda requires more carbonation than their soft drinks. The beverage is slightly over-pressured with carbon dioxide to facilitate the movement into storage tanks and ultimately to the filler machine.

PET Bottle Blower and Washer

The air generated by the compressor and booster machine which is used in the bottle blower machine to turn the pre-forms into the final PET bottle must be free of contaminants. Just as the air used in the bottle blower must be free of contaminants, the water used to rinse the bottles must also be free of contaminants; so the water clarifying process ensures good quality of the bottles prior to filling. The air blower machine has a capacity of 2 bottles at a time.

Glass Bottle washer

For glass bottles, once they have been received back from the customers, they are hand washed in a container using caustic soda and are then sent through the conveyor belt for manual check-up to make sure there aren't any dirt particles in the bottles.

Filling and packaging

The finished product is transferred into bottles at extremely high flow rates with a filling capacity 20 bottles at a time for glass bottles and 12 bottles at a time for PET bottles. The bottles are then immediately sealed with pressure-resistant closures like plastic caps for PET Bottles and steel crowns for glass bottles, with a capacity of 4 bottles at a time.



Plastic film labels which provide information about the brand, ingredients, shelf life etc. are then hand affixed on PET bottles by the labourers. Because soft drinks are generally cooled during the manufacturing process for the machinery to stay cool and also for the CO₂ to act, they must be brought to room temperature to prevent condensation from ruining the labels. This is achieved by sending the bottles through a hot air dryer. Glass bottles have their steel crown pre-printed with required product information.

Storage

Finally, the PET bottles are packed into cartons and glass bottles in crates which are then sent to the logistics and distribution department for storage to the warehouse. The Product shelf life for PET bottles and glass bottles are 4 months and 6 months from the date of manufacturing.



Purchase Department

A company's purchasing department may have a large influence on its ability to reach its strategic and daily operational goals. Its ability to acquire enough materials while lowering costs can allow a company to raise its profits, lower its expenditures and achieve growth.

The purchasing department at Balkrishna Bottling Industries ensures that the production department and the Flavouring department receive their daily requirements as per the customer orders shared to them by the logistics and distribution department. This

includes raw materials like pre-forms *Figure 1*, sugar and flavours for manufacturing, safety equipment supplies for employees etc. When purchasing departments provide these goods efficiently, it ensures production remains stable and products reach customers on time.



Figure 1 Pre-forms

Logistics and Distribution Department

The function of the logistics and distribution department is to organise the storage and distribution of goods. It ensures that the right products are delivered to the right location on time and safely without any breakages. Its functions include transportation, stock control in terms of quantity demanded on a daily basis, warehousing and monitoring the flow of goods from the production department to the warehouse and from there to the retailers, the company currently has 7 delivery trucks. When it comes to delivery of PET bottles, the company has its distributors.

The Responsibilities of this department are as follows:

- Keep track of stock levels, customer payments and transport costs
- Allocate and manage staff resources according to changing needs in case of leave or extra orders on a particular day
- Plan vehicle routes in case of new supply areas
- Taking product requirement details from customers and delivering it to them on time.
- Handling customer complaints



Human Resource Department

The Human Resources (HR) department is concerned with managing people working at the company. The main purpose of this department is to maximise the productivity of the company by optimising the effectiveness of its employees.

The Human resource department at Balkrishna Bottling Industries follows a very simple and systematic structure. The Human Resource department is handled by Mr. Ravi Kamat. His roles include recruiting, payroll and overtime, granting leave, handling job trainee's and maintaining attendance sheets.

These are some of the main tasks which the HR manager has to do:

- **Recruitment**

Every department of the company is given to maintain a separate file in case of any employee requirements and if required, the requirement details are given to the HR who then submits a requirement form to the Owner which is assessed and approved by him.

The new employees are hired through only employee referrals.

Once the new employee is hired, the HR collects all the mandatorily required documents, maintains a police card and an attendance card.

R&D Department

The R&D Department helps their company decide which products would most likely find success if offered to their clients. There are several responsibilities and functions this department performs to help develop these products.

Following are the responsibilities of the R&D Department:

- **Product research and development**

Balkrishna Bottling Industries recently launched their Club Soda product in December 2021, this stage required them to do a thorough market research in terms of market demand for club soda in Goa and whether or not it would be profitable to the company. Using this information, the product development team conceived many designs for the product and created several samples for testing before launching the product in the market.

- **Quality Control**

Balkrishna Bottling Industries are very particular about product quality, they believe that providing good quality products ensures customer loyalty and to abide by it, there are quality checks conducted every day to make sure the mixing of ingredients is done properly and the product is as per the required company standards.

- **Preparing the flavour syrup and mixing the ingredients**

It is a task of the R&D Department to prepare the sugar syrup as per the production. Since, Balkrishna Bottling Industries doesn't use any artificial

flavours or sweeteners in their products, the sugar syrup is made purely from natural flavours and sugar and so needs to be consumed within 12 hours from preparation and to avoid any wastage, this department needs to prepare the quantity in accordance to the quantity to be manufactured on that day.



5. SECTION E

5.1. WORK DONE AND LEARNINGS DERIVED

During the 8-week internship programme, I learned how the business concepts taught to us were actually used and applied at a company. It helped me gain practical knowledge and understand various business concepts and methods in a much profound manner.

While I studied and analysed each of the departments in the company, I realised that no department was superior to the other in terms of the work load or the task they performed and that every department was as important for the smooth functioning of the company.

Following are my takeaways at each of the departments:

a) Production Department

This department is the most important one at the company, it is where the manufacturing of the beverages takes place and during my time at this department, I got to observe the entire production process, how each task is performed from start to end, the frequency with which it is performed with respect to labelling and packaging the products and conducting quality checks.

Following are some of the observations and learnings during the time I spent at the production department:

How requirements are identified:

To meet production requirements, the production department establishes the quantity of raw materials required and collaborates with the purchase department and logistics department. If there isn't sufficient manpower for the production process, the production department asks the HR to hire more personnel.

How the scheduling of production is done

Once the material requirement is sorted, the production department schedules the production processes. This involves planning which flavour will be produced on that day, coordinating the same with the R&D Department and allocating the tasks to various production workers.

Maintaining product quality

The production department ensures the finished goods meet the company's required quality standards. Apart from checking all products for faults during the production process, they also perform tests on samples (eg: their newly launched club soda) to ensure they meet quality standards before it goes for mass production, this is done in coordination with the R&D Department.

Improving existing products and product range

From time to time, the production department along with the R&D Department work on improving existing products and widening product range. For example, 2 years back, they noticed that there was a lot of demand for the "Jeera Masala Soda" flavour in the market, this led the company to conduct a market research and build a sample in coordination with the R&D Department alongside the other departments, thus working on improving their product range to meet consumer demands and have a market share.

Management Functions Undertaken:

Planning: According to the requirements conveyed by the logistics department, the production department plans the production in terms of the raw materials required and the type of soft drink to be manufactured on that day and setting quantity standards.

Staffing: Deciding who will be operating the machinery, handling packaging.

Controlling: Making sure the production goes as planned by checking the empty bottles for any impurities or breakages (for glass bottles) before and later checking the finished

products for any defects like empty bottles or damages and sending them for quality checks to the R&D Department.

b) Purchase Department

The purchasing department helped me understand how the supplies and materials required by other departments are procured efficiently. Everything ordered for every department goes through the purchasing department.

Purchase Orders->Purchasing Quotes-> Monitoring Procedure

Purchase Orders: Every service, material or supply requested by each department must be submitted as a purchase order list after the approval of the proprietor. This purchase order list ensures the right materials and quantity are bought and the correct amount is paid to the suppliers. During the internship period, I coordinated with the production department to take the requirement details sent to them by the logistics department as per customer orders and accordingly convey it to the purchase department. I also was given the task to place pre-form orders with the suppliers and cross check whether there were any defective products received and also to make sure they were as per the order placed. This department taught me how a purchase order list was prepared, how to coordinate with suppliers and place orders, how prices were negotiated, assess the needs of different departments and coordinate deliveries with the production and logistics department.

Management Functions Undertaken:

Planning: How much quantity of raw materials to be ordered and when based on the quantity to be produced and which supplier to purchase from.

Leading: Ordering the planned quantity from the selected vendors

Controlling: Making sure that the orders are correctly received and checking with departments for any requirements.

c) Human Resource Department

The human resources department handles a range of different functions within the organisation. This department is responsible for hiring and firing employees, training workers, maintaining employee relationships and maintaining employee records. During the internship period, this department taught me how the hiring process was conducted. Most of their workforce requirement is at the production and logistics department which is done purely on employee referrals and though most of their labourers are fixed, there are times when there is a shortage of labour due to seasonal demand or absenteeism, in that case, a local labour provider is contacted and those labourers are paid with a daily wage. I was given to handle recruitment tasks for labourers like, taking their contact details, mandatory documents like Aadhar card and maintaining a register for attendance and submitting the attendance to the HR at the end of the month.

This department helped me understand the different duties of an HR, how employee disputes were solved, improved my Hindi communication skills and learnt how to maintain employee records and attendance sheets.

Management Functions Undertaken:

Planning: This function involved figuring out the different departments, company policies, salaries, types of training and skills that would be required amongst the employees and the overall company environment.

Organising: Once through the planning stage, this function involves setting tasks and responsibilities for employees according to their skillset, providing them with training if necessary.

Staffing: Accordingly assigning duties to each employee in their respective departments and coordinating with each department for any staffing requirements

Leading: Functioning as a whole with each employee carrying out their duties in their respective departments and meeting the company goals and objectives

Controlling: Monitoring the employees by maintaining attendance sheets

d) Logistics and Distribution Department

This department handles storage of the finished goods in the warehouse and timely delivery to customers, taking customer orders and conveying the product requirements to the production department. This department is also in charge of taking customer payments and handling customer complaints.

So during my time spent at this department, I was entitled to the task of keeping note of products manufactured each day and entering the quantity on their company's systems. I also worked in coordination with the production and purchase department wherein I gave them the customer order details which would be required to know the production requirement and accordingly place orders for the pre-forms, syrup ingredients etc. I learnt how storage and distribution worked in terms of monitoring the finished goods and keeping a check on stock requirements, ensuring timely deliveries by planning the routes and sorting out customer complaints in terms of defective goods received and also collecting customer's payments on time which go through the proprietor before being sent to the company CA.

Management Functions Undertaken:

Planning: Planning the warehouse setup, delivery routes according to the orders placed, planning the product requirement and conveying it to the production and purchase department

Organising: This function involves deciding who will be conducting deliveries, loading the trucks etc.

Controlling: Making sure the deliveries are carried out on time and payment is received, monitoring inventory requirements, handling customer feedback and resolving it.

e) R&D Department

This department handles preparation of flavouring syrup, improving existing products, conducting regular quality checks, conducting market research in case of new product requirements and building their new product prototypes. During the internship period, in the time I spent at this department, I observed how the flavours were prepared by the lab attendants according to the product quantity requirement on that particular day of which the details were sent to them by the production department and also witnessed how quality checks were conducted.

Management Functions Undertaken:

Planning: How much sugar syrup to be produced based and the quantity of raw materials needed, conducting market research for new products and forecast the demand

Leading: Carrying out the planned tasks

Controlling: Conduct regular quality checks, in terms of a new product, check how well it is doing by looking at the quantity sold.

5.1.1. MARKET STRUCTURE

Balkrishna Bottling Industries falls under the Imperfect/Monopolistic competition market structure where there are many Carbonated drinks manufacturing companies in Goa and India, producing similar flavoured carbonated drinks with a little differentiation. The points of differentiation are the taste, packaging and price.

Reasons it belongs to the Imperfect/Monopolistic competition market structure:

A Large Number of Sellers: There are many carbonated drinks manufacturing companies in Goa and India, producing similar flavoured carbonated drinks. They also own some small shares of the market.

Entry-Exit Freedom: Any firm can enter or exit in this industry for monopolistic competition. A new carbonated drinks manufacturing company could get involved in this or can also get out of this as per their wish. It is not necessary to explain the reasons behind it.

Product Variation: Balkrishna Bottling industries operate under their own brand name “GOOD DAY” to produce product variation among competition to add monopoly. They make some small differences in terms of taste, packaging so that their product is unique. All their products are somewhat different from their competition.

Non-Price Factors: Besides the price differentiation, there are some other factors Balkrishna Bottling Industries uses to compete in the market. The brand tries to attract its customers through providing good delivery service and quality products.

5.1.1.1. Demand Elasticity:

Due to the range of similar offerings by competitors, demand is highly elastic. In other words, demand is very responsive to price changes. If tomorrow, Balkrishna Bottling Industries decide to increase their club soda prices by ₹5, then their demand might slightly be affected or wouldn't be affected at all but if suddenly they decide to increase by ₹10 and now their club sodas cost ₹10 more than its competitors, customers probably won't hesitate to switch to an alternative, and their demand would fall.

5.1.1.1. Pricing Elasticity:

Since the soft drink manufacturers in Goa fall under the monopolistic competition market structure, they are the price-setters or makers, rather than price takers. However, their ability to set prices is because demand for their products is highly price-elastic. To raise their prices, Balkrishna Bottling Industries should be able to differentiate their products from those of their competitors by improving their overall quality.

5.1.1.1.1. Competitors

There are around 15-20 local PET bottled soft drink manufacturers and around 15-16 local glass bottled soft drink manufacturing companies in Goa. Following are the top 5 competitors identified of Balkrishna Bottling Industries:

1. Zen Beverages
2. Taan
3. Angel
4. Shah
5. Kesarwal

5.1.1.2. CONCLUSION & SUGGESTIONS

It was a great experiencing how it feels being in a work environment. This internship taught me punctuality, discipline, improved my communication and coordination skills and helped build my knowledge on how a carbonated drinks manufacturing company works.

The most important thing that I learned during the 8-week internship programme was time management. The *Production Department* taught me how the company set output targets and ensured quality finished products. The *Purchase Department* taught me how business requirements for materials were identified, reliable suppliers to meet these requirements, set up the order quantities, negotiate prices and place orders. The *Human Resource Department* taught me that in order to build a business, it was important to build the people working for the company. The *Logistics and Distribution Department* taught me that success at any business translates to increased efficiencies, better inventory control, smarter use of warehouse space and providing good services leading to increased customer satisfaction and an improved customer experience. The *R&D Department* taught me that businesses constantly need to improve and develop new products and services according to market trends if they want to survive competition and maintain their share of the market. Overall it was a very good experience going around, understanding, observing and studying each department at the company. During the course of this internship, I got to interact with a lot of people which helped build my network and also learn and accomplish various tasks which helped me build my skillset and confidence.

While at the internship, an observation and suggestion that I made to the company was to advertise their products to increase reach and market share to which I was replied saying the advertisement costs were too high and would hamper their profit margins. Also, the increase in government GST rates and raw material prices has led to an

increased manufacturing cost, thus lowering their profit margins. So, it wouldn't be a wise decision to spend on advertising and besides, the company has been able to achieve a good amount of loyal customer who keep getting the company clients through positive word of mouth.

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