

GOA UNIVERSITY
GOA BUSINESS SCHOOL
MASTER OF BUSINESS ADMINISTRATION

JITENDRA ENTERPRISES

FINAL INTERNSHIP REPORT

Name: Somesh Pendurkar

Class: MBA Finance

Roll No. 2041

Done Under Guidance of Prof. Purva Hegde Desai

A BRIEF NOTE ON COMPANY

Jitendra Enterprise is a supplier of building material and is owned by Mr.Sazro Chodankar it was establish in the year 2011 and is located in vasco. The business mainly deals in wholesale business of Cement along with building material such as sand, metal, Laterite, Stones, Cements Blocks, Roof tiles, Bamboos etc. The business is known to satisfactorily cater to the demands of its customer base. The business strives to make for a positive experience through it's offering. The accepted mode of payment such as cash master card visa card debit card credit card cheque etc. Which makes every business transaction easy and seamless , contributing to making entire process even more effective. Customer centricity is at the core of jitendra enterprises , it is this belief that has led the business to build a long term relationship. Ensuring the positive customer experience, making available goods and services that are of top notch quality is given prime importance.

A BREIF ON STRATEGIC ANALYSIS

In service industry, an organization requires to maintain a proper balance between critical stock-out and reducing inventory costs. Material cost sums up to be more than 50% of the total cost which demands for the need of managing

materials. Estimation is an integral part of material management. Material management is a balancing act. It is harmonizing the functions liable to plan and control the material flow. It maximizes the usage of firm's resources and deliver the essential level of customer's service and gives great profits to the organization. The performance of the process is dependent on the flow of materials. Selective control is required in certain extents of material management like in inventory, items criticality, outdated stocks, inspection, purchasing order and receipt of materials, store-keeping and verification of bills. It becomes nearly impossible to keep in check the numerous items. This calls the need for material management. So we have used the abc analysis. ABC Analysis: ABC analysis is a simple and analytical management tool. ABC analysis is a technique of categorizing inventory items according to their substantial impact on the overall expenditure of an organization. It grants a solution to faulty inventory administration within the purchased items or availed services. It is based on the Pareto Principle which states that "80% of the overall consumption value is based on only 20% of total items". The breakdown suggests that the inventories are of different values; hence it necessitates different tactics and management controls. The arrangement of categories is based on its anticipated value. ABC analysis is an "inventory categorization

method” which entails the dividing items into three categories, A, B and C.

The main aim of this project is to highlight the importance of raw material management as raw material make considerable percentage of total cost of manufacturing process. And Its main purpose of study is to achieve economy by efficiently managing the raw materials.

PROJECT QUESTION

Which material contributes most in profit of business?

Which material required highest storage and procurement cost?

What are the steps required to take at the time of expansion?

What are the steps to take to increase the profit?

PROJECT METHODOLOGY

ABC analysis is an inventory management technique that determines the value of inventory items based on their importance to the business. ABC ranks items on demand, cost and risk data, and inventory managers group items into classes based on those criteria. This helps business leaders understand

which products or services are most critical to the financial success of their organization. It is important for management to know which products, customers or purchased parts contribute most to the company's success. ABC analysis provides a solid assessment for this purpose and illustrates how important individual items are for the company. For example, this method enables you to determine which product contribute the most to your total revenue.

Item A:

- a) These are subjected to strict inventory control and are given highly secured areas in terms of storage
- b) These goods have a better forecast for sales
- c) These are also the items that require frequent reorders on a daily or a weekly basis
- d) They are kept as a priority item and efforts are made to avoid unavailability or stock-out of these items

Item B:

- a) These items are not as important as items under section A or as trivial as items categorized under C
- b) The important thing to note is that since these items lie in between A and C, they are monitored for potential inclusion

towards category A or in a contrary situation towards category C

Item C:

a) These items are having less sales.

b) the best way to handle this items are by using method just in time.

PROJECT OBJECTIVE

- This process will define the areas generating maximum profit to the

company in a better way.

- It will aids stringent and better controls of high priority inventory.

- Good supplier relation.

- Proper material handling.

- Cost:

We are focusing on reducing cost, the cost will reduce by decreasing man power. Because there is waste of man power in the business and also there is huge empty space in warehouse which is not get utilized by business. Also there is wastage of

material in warehouse for ex cement, blocks etc. we have to correct this all to increase the profit.

- Expansion:

Currently business is only selling materials like cement, sand, metal, Laterite stone, cement blocks, bricks, roof Tiles and Bamboos. There is scope for expansion by selling paint and paint material, hardware material which is used in construction. This will help to increase revenue and profit of a business.

- Quality:

We have to take care of quality of products such as sand. We have to supply best quality of sand to our customer. Also business must focus on prompt delivery service of a product, complaints of customer must be reduce quality of service and quality of products.

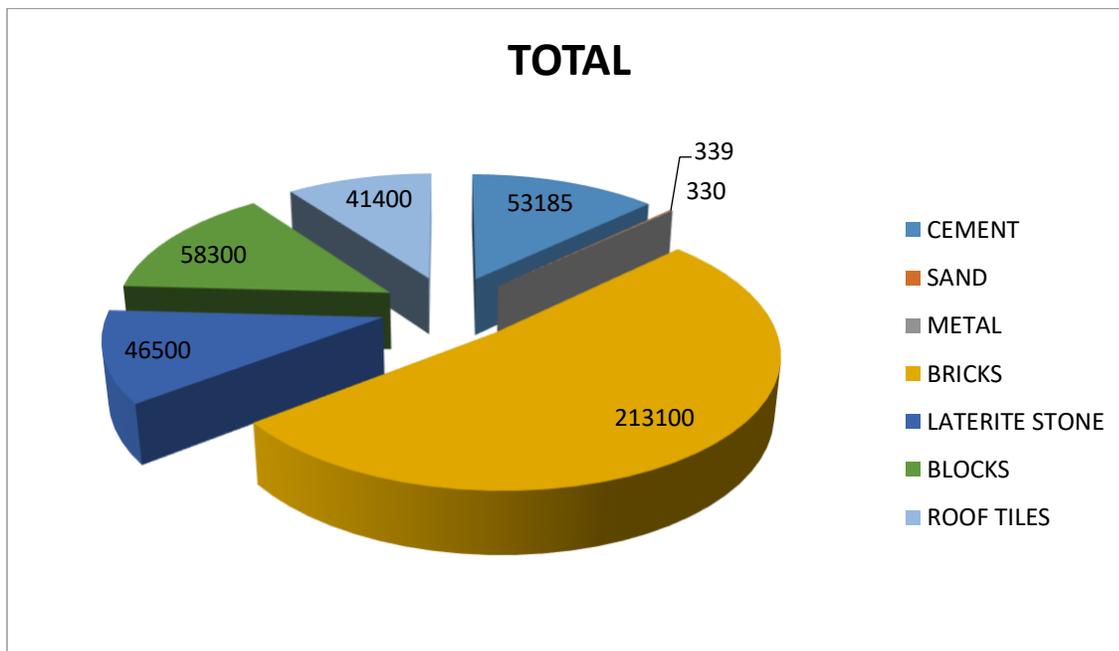
- Customer Relationship:

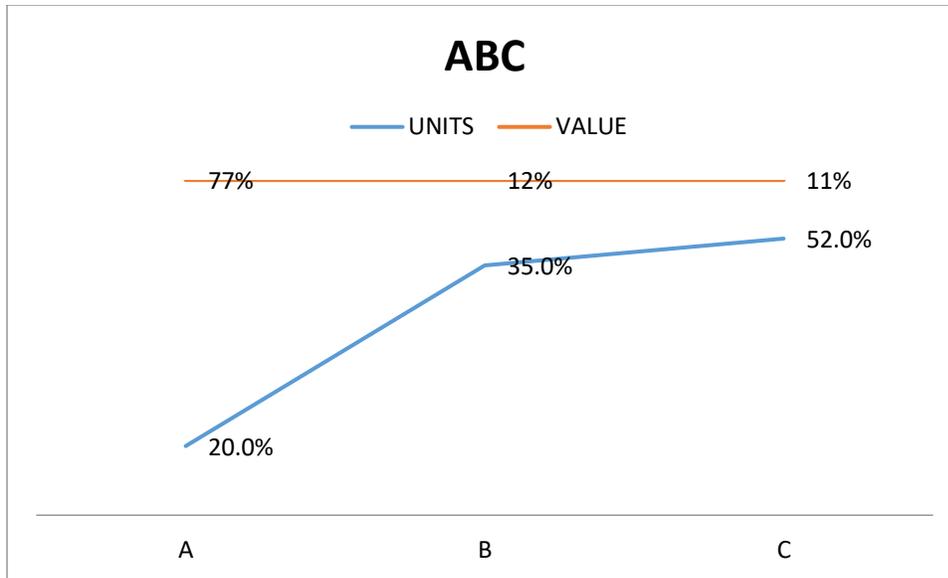
We have to keep good relationship with customer, until the project is complete we must have continuously in touch with customer and also get continues information and feedback about the service and quality of the material supply from the customer and also visit a site if possible which will help to improve a image of business.

- Marketing and brand image:

We must have to focus on marketing of business and expansion of business boundaries because currently most of the business is done in vasco and some part of south goa. Now we have identify the builders and small contractor from north goa and business must have to tie up with them by giving them good offers which will help business to increase the sales.

PROJECT DATA FINDING





PROJECT DATA ANALYSIS:

Jitendra Enterprises deals in a business of supplying Construction material which has product line of Cement, Sand, Metal, Laterite stones, Cement Blocks, Bricks, Roof tiles, and Construction materials etc.

ABC method of inventory control involves a system that controls inventory and is used for materials and throughout the distribution management. It is also known as selective inventory control or SIC.

ABC analysis is a method in which inventory is divided into three categories, i.e. A, B, and C in descending value. The items in the A category have the highest value, B category items are of lower value than A, and C category items have the lowest value.

According to the ABC Analysis of a building material firm such as Jitendra Enterprises products such as Cement, Sand etc. would come in A category. These products are fast moving products in nature and all these products are the most essential products to start a business of building material.

B category will include items such as laterite stone blocks and Roof tiles these materials would be slower selling materials and also create less value than A category.

And in C category and it will include materials such as metal and bricks etc. The quantity of these 2 items will sell in huge quantity than A and B category but the value is least for the business.

All the items require huge space for stocking, cement requires a big godown for storage, supply of items such as sand is very fast during the season so a huge portion of land is required for the purpose of stocking of sand and also during the rainy seasons the business of sand is completely halted for the starting two months and trawlers are not being allowed for bringing sand from the sea, before the rainy season we need to stock trips of sand to sell during the monsoon season.

Items in the A category which are Cement, Sand, contribute to almost 80% of the profit and rest 20% of the profit is earned from other items .

RECOMMENDATION TO THE COMPANY:

The company is doing well in local area, sales fig is also good and company is also booking good amount of profit yearly. But company can increase their profit by expanding the business all over the goa. Currently company is only doing business in vasco and nearby area. If company want to expand the business then the company Have to tie up with builders and contractor all over the goa by giving them good offer, which will help business to reach all over goa and second point is company is not selling construction metal, if company start selling metal then it will increase the overall Profit.

LEARNING DERIVED:

In last Four months, I have learned and understood a lot of things and as a finance student I got an opportunity to get the practical experience with the finance related work such as all the aspects of accounting applicable in running a business and work experience which is very important for a person who is pursuing degree in this field. So, this was a great experience and I am glad that I have chosen this field to build my future.

