

**A CASE STUDY
ON
STANDARD GROUP
at
PVC Hose /Pipe Manufacturing Company**

**By
Dr. Ranjana Dureja (Assistant Professor)
and following students of MBA**

Kachwala Burhanja Kirhussain

Kansara Jaykishan K

Kargi Patel

Kothari Riddhi

Kumbhat Minal

Maulinkumar Patel

Meshwa Patel

Neelam Rana

Pandya Brinda Ajitkumar

Parth Soni

Patel Nirali Bharatkumar

Patel Reema Bharatbhai

Patel Tirth Dineshkumar

**under
Vikalp – Case Study Forum
L J MBA
2013-14**

A CASE STUDY ON STANDARD GROUP

Standard group is a fast growing company with two firms under it, manufacturing PVC hose for different applications. The owner of the organization strongly believes in maintaining standards along with the philosophy of expansion through fairness in the profession. SPL provides cost effective, reliable and superior qualitative products so as to retain gratification of their customers.

INTRODUCTION

A standard pipe was established in the year 1970 with a vision to manufacture and supply PVC HOSE pipe. The promoter of the company, Mr Vishnu Bhai Patel with magnanimous experience and expertise acquaintance sensed the opportunities in this fast emerging field, four decades since then; Standard group has steadily developed an enduring foundation for the business. With their modern production & assured quality, they achieved leadership in cost, quality and delivery of products and services. The organization's main aim is to attain international standards along with the philosophy of expansion through fairness in the profession. SPL provides cost effective, reliable and superior qualitative products which possess contentment to their customers.

Mr Mihir Bhai Patel, one of the young owners of Standard group endeavor authentic, ethical and technical excellence in his profession and believed in accomplishing their task by supplying the highest quality service by promoting excellence through operations. Commenting on his business philosophy Mr. Mihir says,

“Goals must be achieved through intensive focus on quality products, excellence in customer service and manufacturing competence. “Organisation is striving for achieving excellence through Quality, Product Innovation and Technology Up-gradation”,

Company thrives for maintaining the quality of products. Says MR Mihir Bhai Patel

Organisation quality management policy state as "We make commitment to continuous investment in the latest technology and total dedication to the highest standard of quality, innovation and customer satisfaction".

Since the inception , Standard Fine Flex Pvt. Ltd is a recognized leader produce Agro Pipes ranges from 0.1m.m to 50 m.m. PVC hoses , Organisation located in industrial town of India, Ahmedabad with two subsidiary companies. It is a regular supplier of PVC pipes to prestigious Industrial Clients . The company has developed a Controlled Quality Management System which places great prominence towards providing finest quality. It is dedicated towards sustaining national and international quality standards through continuous production at competitive prices .

It is a fast growing industrial groups in PVC hose manufacturesThe company has two manufacturing unit (locations) which are as follows

Standard Fine Flex Pvt. Ltd Manufacturing	Standard Poly Hose Manufacturing
PVC medium duty hose	
PVC heavy-duty hose	
PVC boil hose	
PVC non-toxic hose	

Company's initial investment is 2.5 crore and Source of Finance is fulfilled by taking a "Term loan" from "Bank of Baroda"

Application of the products

PVC green hose has several applications in agriculture and industry. It is ideal for suction and delivery of water for irrigation purpose in agriculture with electric monoblock and oil engines. It is also suitable for saline water, light acids, alkalies and other chemicals and for conveyance of granules or fine particles of raw materials. They are exporting 25% of their total production and 75% are available for sales in local market having yearly and turnover rate is 25 lakhs meters.

Production process

Pipes ARE ISO 9000 certified with ISI marked products, is a nationwide recognized brand in PVC pipes in India. The Process of PVC Pipes constitutes of following steps:-

- **Tubing:** -PVC pipes are created by starting with a molten mixture of the material and shaping them around a cast. The casts are made to be the exact width of the pipe. The mixture is poured into a cast and surrounded by an outer shell. The complete set is then placed into an oven to be cooked. Once the pipe has solidified,
- **Cooling pipe:**-Once the pipe has solidified, it is cooled and moved into finishing.
- **Cutting:** - Sections of the pipe are then cut based on required sizes and needs.
- **Threading & Smoothing :-** The sections are then coated in a chlorine solution to prevent harmful bacteria from growing during shipping and use and process is called as threading, Once the coating is dried, the ends of each section are finished. If the pipe is a smooth connection, the top of the pipe is sanded down to ensure a perfectly flat surface. For fitted pipes, a machine engraves a series of grooves into the pipe. As the grooves are cut, high-pressured water is sprayed on the pipe to remove excess PVC fragments. After the grooves are added, the ends are smooth and the sections are sent into testing.

Pipes are strong, extremely tough and long lasting.

PVC Pipes Manufacturing Process



Technological innovation

As technological innovation , it is stated as“ They endeavoured to bring to our customers, at home and overseas, the latest developing in constantly expanding range of products with fundamental technologies accumulated through long history of production, focus on continued development of high performance products for the next generation”.

Marketing Department functions at SPL

The marketing department aims to increase the turnover of the organization, market share, and profitability of the Industry. Marketing Manager, branch manager, sales executive representatives of standard pipe emphasise on Demand Forecasting, MarketingResearch.

Demand Forecasting:Demand forecasting is the main function of marketing in standard pipes Pvt Ltd and is managed through sales force in the company such as sales representatives, sales executives and team collecting information from customers. On

the basis of received information, demand forecasting being carried out at company level.

Marketing Research: Marketing research is more comprehensive composing all the functions of a marketing manager that is it covers product, price, sales, market, promotion, distribution policies and covers analysis of competitive advantage, market share analysis and new product. The objectives regarding marketing strategies at Standard pipes Pvt Ltd are

- **Customer Satisfaction through Quality Products Marketing activities:** Organisation aims at achieving customer satisfaction by offering quality products. It is also help more increasing profit, increasing goodwill, increasing image of the organization etc.
- **Attention on After Sales Service :** Company provides after sales services to its customers and service of the company does not end with process of distribution the company has been waited until good result comes by giving their products to consumer and they always rendered their services at the time needed by the customers.

Supply Chain Management (SCM)

Supply Chain Management (SCM) is an integral part of operations management and SPL is highly committed towards “Service and Quality”. Supply chain network of organisation comprising of well equipped, modern and efficient logistic. Distribution starting from procurement of raw materials (PVC/PE/PPRC), to transformation of these materials till finished products.

Human resource functions at SPL

In recent years, due to rapid technology innovations and change human resource management predominantly integrated with manufacturing, rather than building strategies at workplace,

There is an informal employer-employee relationship in the manufacturing department, organisation adopted conventional style for managing human resource mainly for recruitment and selection procedures. Recruitment and selection of workers takes

place at entry level , merely posts are filled by internal source generally through employee referrals or personal contacts. These casual labour sources generate information through factory gates or through employment office which are consider as a crucial source for providing job to employees in need.

Some are recruited directly by the farmers themselves or through a chain of middlemen like contractors or thekeddar etc.

Said the owner,

“Most of the workers at initial level , possess lack of experience in the job but gradually able to complement with what we are expecting them to do .”

The owners estimated as internal recruitment is cost effective and preferable source for employees recruited at bottom line and thus facilitates in developing one-to-one direct relationship between the organisation and employee.

Candidate automatically ‘fit’ to the company’s culture, departments and teams and thus improved as per the expectations of employer. This subsequently increases the level of staff retention and builds a loyal and committed workforce , ultimately reducing the company’s future recruitment requirements.

Said Owner -

“Such recruitment policies are helpful in creating a positive work environment, give their employees greater community engagement and allowed them to better understand and prepare themselves for the industry”.

There is a suitable working condition as far as sanitation, ventilation, lighting facilities are concerned but workers face temperature variation during summer and which may vary from 2 to 4 degree.

Said owner,

“When the individual is working in a production department , training structure is developed and all our staff must go through, such trainings which involve dealing with machinery, potential health and safety risks involves in handling machines , basic food hygiene, food safety, personal hygiene and safety ”.

SWOT Analysis

Strategic SWOT Analysis Review provides a comprehensive insight into the company's corporate strategy, The report contains a detailed SWOT analysis, industry reveals the position of the Indian PVC Pipes /(PVC/PE/PPRC), manufacturing industry in respect to its internal and external environment.

Strength	Weaknesses
<ul style="list-style-type: none"> • Low cost of innovation, manufacturing and operations • Low cost of skilled manpower and proven track record in design of high technology manufacturing devices. • The company has a good brand image among the consumers. • Multi – Unit Multi – Product organization catering all products in PVC pipe industry • The company has fully computerized departments and production • Stringent quality measures adopted, backed by a strong quality control team. 	<ul style="list-style-type: none"> • Stringent pricing regulations affecting the profitability of Industry . • Presence of more unorganised players versus the organised ones, resulting in an increasingly competitive environment, • Characterised by stiff price competition. • Limited branches.
Opportunities	Threats
<ul style="list-style-type: none"> • India, a potentially preferred global outsourcing hub for /(PVC/PE/PPRC), 	<ul style="list-style-type: none"> • Other low-cost countries such as China and affecting outsourcing

<p>manufacturing</p> <ul style="list-style-type: none"> • products due to low cost of skilled labour. • There are large untapped opportunities in Government sector(E.g. Government is giving subsidies to the farmers for buying agriculture equipment's) • Agriculture promotion schemes by government and other agencies 	<p>demand for Indian products</p> <ul style="list-style-type: none"> • Entry of foreign players (well-equipped technology-based products) into the Indian market. • Sudden fluctuations in crude price, causing fluctuations in raw material price makes difficult in pricing strategy. • As PVC is a plastic which is not biodegradable cause's environmental pollution, may face a ban in future.
--	--

Outlook

Overall growth outlook for the Indian manufacturing industry appears positive. International Standard that is being followed as far as the quality of the products is concerned. Quality of the products is assured by doing different quality tests. Fully automated production being used for production. This has helped them to gain valuable insight that prompt the group to search alternative ways for manufacturing better products in a cost effective manner Star received the ISI mark for quality and ISO 9002 certification. In order to complete the needs the company is planning to increase the production level to maximum extent , furthermore Standard pipes Pvt Ltd is dedicated to offer innovative products and solutions so as to create a better experience for all customers.

