

**"A CASE STUDY ON INNOVATIVE PRACTICES IN FAMILY OWNED ENTERPRISES" -
PROTAGONIST- ABHISHEK ROONWAL, JEWEL PASSION**

Sumita Kumar Department of BBM Mount Carmel College, Bangalore

Entrepreneurs become what they are for varied reasons. Entrepreneurs emerge from the population on demand, and become leaders because not only because of perceived opportunities available but also due to the fact that they are well-positioned to take advantage of them.

An entrepreneur may believe that they are among the few to recognize or be able to solve a problem by making necessary changes in their Business Model.

Change or Innovation is therefore not an option but a necessity for all , intensely competitive , knowledge driven and subject to uncertainty and rapid changes.

The ability of entrepreneurs to innovate relates to innate traits such as extroversion and a proclivity for risk-taking. An entrepreneur is passionate while launching a business in order to combine personal interests and talent with the ability to earn a living.

This case -study focuses on the business model changes this young entrepreneur has adopted. We have also tried to analyze the relationship between strategy , performance and best practices.

India has seen some very influential families in business (large scale, medium and small scale business). These families have made a lot of difference in the business and industrial culture of the country. These families have existed for over hundred years and have influenced the economic and political situation of the country.

JEWEL PASSION - A CASE STUDY

Goutham Jewellers, an average-sized jewelry showroom amidst the hustling bustling chickpet area in the heart of the Bangalore city, was started by Mr. Gautham Jain way back in 1986. A young lad and newly married at that time, started his family business to earn a living on his own after being trained at a relative's jewelry showroom for nearly 8 years on everything related to the retail jewelry industry.

After 25 years of a roller-coaster ride, today GouthamJewellers have established themselves as a traditional family business with a good credibility in the market and a large loyal customer base, surviving in the highly crowded and competitive jewelry market.

About the Entrepreneur

After completing his Masters in Business Administration and taking adequate training under his father, there was an urge in AbhishekRoonwal to do something on his own rather than just sitting in his father's establishment . Abhishek just could not do what his father has been doing for years i.e. coming to the shop, waiting for customers, doing business with them and wait helplessly when there are no customers knowing for a fact that nothing much could be done about it . He felt there had to be a change in the way that the business was being done since so many years. So he decided to change the Business Model.

What is a Business Model?

In the most basic sense, a business model is the method of doing business by which a company can sustain itself - that is, generate revenue.

Abhishek wanted to do something on his own and something different and for that he had to come out of his comfort zone. The idea he came up with was rather simple. Instead of waiting for customers to come to his establishment , he would go down to their place at a time of their convenience, not merely to sell jewelry but help customers buy jewelry. This willingness and passion to deliver happiness to customers gave birth to jewel passion.

After starting the venture in August 2010 with a small team of craftsmen, the business is climbing the ladder of the growth stage and is doing pretty well with an impressive annual turnover and a satisfied customer base.

Today Jewel Passion stands out as a unique business venture where we provide customized service at the doorstep for all jewelry solutions with an advantage of flexible payment options, educating the customers on the quality, price and tactics of competitors, creating value in the minds of customers and delivering happiness. The concept of providing service at doorstep was because today people cannot find time from their busy schedule to go out shopping to buy jewelry and our business helps them fulfill this need. The flexible payment option was introduced to make jewelry affordable to everyone without disturbing their financial commitments along with satisfying their jewelry needs.

In his remarkable journey, Abhishek was introduced to National Entrepreneurship Network (NEN), a Not for profit organization that aims in helping young entrepreneurs in their start-up ventures. It put him under a rigorous training to conceptualize his business model, understand market segmentation and implement strategies, identifying strengths and weakness, setting targets and ways to achieve them. NEN conducted interactive mentoring sessions with mentors from IBM thus helping him find solutions to the hurdles he was facing in his start-up venture.

Jewel passion - A venture by Abhishek Roonwal

Concept/ Background

- The idea was to help customers buy jewelry, those customers who
- Do not have the time to visit a jewelry showroom to fulfill their needs
- Cannot afford to buy gold, silver and diamond jewelry due to the mounting prices
- Want to buy from a trusted jeweler as many fraudulent things are happening currently in the jewelry industry
- Wish to get best value for their purchase since buying gold is no less than a luxury these days
- Wish to stand out of the crowd by adorning elegant, well designed and elite jewelry
- Like to be exclusively served in terms of buying jewelry

Mission Statement:

"Jewel Passion aims at catering to the needs of the customers at their door step by offering exquisite designer Gold, Silver & Diamond jewelry crafted with excellence and highest quality as per industry standards making jewelry affordable for every pocket size."

Purpose:

In today's scenario people do not have the time to visit a jewelry showroom to fulfill their needs with regard to jewelry. Besides the escalating gold and silver prices over the years has deprived the customer from buying jewelry. To win Customer's trust and loyalty in today's competitive world is a challenge in the jewelry industry. To help customers manage their busy schedule and at the same time fulfill their needs, Jewel Passion was started.

Jewel Passion, a mobile jewelry showroom, provides customized solutions to customers with regard to Gold, Silver and Diamond jewelry at their place and time of convenience with an added advantage of 'Customer Referral Flexible Payment Options'. As Abhishek says- "We At Jewel Passion do not sell but help customers buy jewelry and we understand that our customers value jewelry as good as an heirloom, hence we believe in not only delivering exclusively crafted products but also uncompromising commitment towards quality, designs and price for which customers can blindfolded rely on us".

The Market: (Facts about the Indian jewelry industry)

Jewelry since time immemorial has remained "neighbor's envy and owner's pride". The ornaments have remained exotic, unequalled and invaluable articles of personal glory. And with jewelry becoming symbol of status, fashion and taste, men and women today are steadily moving away from

conventional styles of adornment and ornamentation and are gradually adopting modern patterns better suited to their busy life styles.

The gems and jewelry industry occupies an important position in the Indian economy. According to the report issued by India Law Offices, it is a leading foreign exchange earner, as well as one of the fastest growing industries in the country. The two major segments of the sector in India are gold jewelry and diamonds. Gold jewelry forms around 80 per cent of the Indian jewelry market. Besides, India has the world's largest cutting and polishing diamond industry. It is well supported by government policies and the banking sector with around 50 banks providing nearly \$3 billion of credit to the Indian diamond industry.

India was one of the first countries to start making fine jewelry from minerals and metals and even today, most of the jewelry made in India is hand-made. India was the first country to introduce diamonds to the world, the first to mine, cut and polish them as well as trade them. The cutting and polishing of diamonds and other precious stones is one of the oldest traditions in India. In the global diamond market today, Indian diamonds account for a 55 per cent share in value terms, 80 per cent share in carat (weight) terms.

India's Gems & Jewelry industry is highly unorganized and fragmented with 96 percent of the total players being family owned businesses. India's gold market is estimated to have more than 300,000 jewelers, mostly small, family-run businesses. The gold processing industry has around 15,000 players, with only 80 having revenues over USD 5 million.

According to the World Gold Council in the first quarter of 2011, demand for gold jewelry from India rose 12 percent year on year, accounting for 37 percent of the global total, and this demand is set to climb. The precious metal, which is widely regarded as a store of wealth by Indians, is traditionally gifted during weddings and religious occasions, particularly during the months of October and November. With the festive season — marked by Diwali, considered the financial New Year by many Indian businesses - around the corner, consumers rush to make their annual jewelry purchases, fearing prices will go up further.

Gold is so central to the Indian psyche, it's at the center of every occasion, every festival. Bridal demand (for jewelry) makes up 40-50 percent of the total demand.

The Problem & the Opportunity:

In today's socio-cultural life, people want to stand out differently and in terms of jewelry also everyone wants to own an exclusive piece and not something that is common. Women especially have this tendency of being conscious about this fact and that they do not like homogeneity as want to look elegant yet exclusive. Many a time consumers visiting jewelry showrooms have the option of picking up jewelry which is readily available and the designs may be quite common. But we at jewel passion provide customized solutions to customers where in they can design their own jewelry or we design exclusive jewelry for them so that their jewelry become an envy for others. We make sure that every piece made by our well trained craftsmen is unique and the customer can gracefully adorn them.

Nowadays people, mainly the working class, are so busy that they do not find time to visit any jewelry showroom and this busy life makes it difficult for them to fulfill their needs of buying jewelry. Besides the traffic and chaos on roads makes things more miserable. Taking care of these issues, jewel passion was started to facilitate door step service to enable customers buy anything and everything in gold, silver and diamond jewelry at their time and place of convenience, be it at their work place or a coffee shop or at a restaurant.

This is an era of high cost of living where the price for every commodity is escalating overnight and the same holds for gold and silver. There was a time when the gold and silver prices were so low that even a peasant could afford to buy something and today is a time when even the middle income group people are finding it difficult to cope up with the rising prices. The rising price of the metal affects the purchasing power of the customer and deprives them from buy anything in gold, silver and diamonds. To overcome this problem faced by the customers, jewel passion has introduced the 'Flexi-Payment Option'. Under this scheme, on reference from another customer, the customer can purchase any jewelry of any amount and after making a down payment, the remaining balance is

divided over a certain period where in the customer can pay every month and clear the debt. This scheme comes with 'No additional charges' tag in which no interest or any other costs are added. In a way this scheme is very useful for customers in which they can fulfill their needs of buying jewelry they like without disturbing their financial commitments.

The Product/Service & USP:

Jewel Passion aspires to offer high quality products designed to make the customers cherish it for life. Our products are exclusive and unique in design and craftsmanship unlike the products readily available at the jewelry showrooms. At Jewel Passion we do not sell but help customers buy jewelry. If the customer cannot find time to go out to buy jewelry, we go down to his/her place to fulfill their needs.

Jewel passion deals with Gold, Silver and Diamond jewelry along with a host of other services like jewelry repair, jewelry re-polishing, old jewelry exchange, etc right at the door step of the customer. The company had recently introduced many products like crystal lamps, silver photo frames, silver gift articles, British India coins, CZ 92.5 sterling silver jewelry, etc.

Business Operations/ Strategic Alliances:

Jewel Passion has tie-ups with various wholesalers, suppliers and dealers who are an important part of business operations. They have tie ups with the bullion dealers who supply pure gold and silver to us depending on their necessity. They have wholesalers who provide us various kinds of gold jewelry such as filigree jewelry, Kerala light weight jewelry, Bombay CZ jewelry, south Indian traditional jewelry, etc. We have suppliers who supply silver articles to cater to the needs of the customers during festive season, as silver articles like plates, glasses, bowls, pooja items etc are bought mainly during the festive season. They have allied with dealers of diamond jewelry to cater to the elite class, who provide us with the finest quality diamonds along with certification of quality. They are also connected with dealers of various precious and semi precious stones, including birth stones like Emerald, Blue Sapphire, Yellow Sapphire and Ruby to name a few.

Sales & Marketing strategy:

This kind of unique business model is purely based on 'Word of Mouth', viral marketing and customer's references. The marketing mix of the 4P's include -

- **Product:** The customers are exposed to various types of jewelry products in gold, silver and diamonds. Gold jewelry includes traditional jewelry, antique jewelry, CZ stone jewelry, casting jewelry to name a few.
- **Price:** Our ranges of products are offered at prices far lesser than what other jewelry showroom offer because of the absence of various overheads.
- **Place:** Since this is a mobile jewelry showroom, the business is carried on at the place and convenience of the customer, be it at work place, a coffee shop or a restaurant.
- **Promotion:** A satisfied customer spreads the message of quality, design and service to other customers (friends and relatives) via 'word of mouth' and viral marketing. During the festive or peak season, e mails containing festive specific products are sent out to people from various backgrounds to help them know more about our company, products and service.

Team & their Experience:

The company has a team of well experienced craftsmen who have an uncompromising commitment towards the quality with an eye for design, style and market trends. The various craftsmen have a working knowledge of more than a decade in various types of gold and diamond jewelry and silver articles. Company to date:

Previous funding:

The initial investment was Rs. 80,000 and at later stages Rs.60,000 was borrowed from an Angel Investor and the entire loan amount has been returned in the course of the business. The jewelry industry is enormous in size and how much ever money invested in it is not adequate. Since Jewel Passion is a medium scale business, not much of investment was pooled in because of limited resources available. But the available resources are being exploited to the maximum to achieve best results and set our long term goals.

The Business- Plan of Jewel Passion

Product and service

> What does the product/service satisfy?

Their products satisfy the primary needs of the customers of gold, silver and diamond jewelry by providing skillfully crafted pieces which the customers can cherish it for life. The team of craftsmen has an eye for every detail of the jewelry designed and crafted by them. The service of door step provided exclusively by Jewel Passion aims at delighting the customer by helping the customers to buy jewelry at their time and place of convenience. With a host of other services like jewelry repair, jewelry re-polishing, etc, the secondary needs of customers is satisfied.

A customer can be satisfied because of three reasons -

- **Service** - the door step service we provide at the time and place of convenience of the customer like workplace, office, college, restaurant, etc.
- **Designs** - the custom made exquisite and eye-catching designs we offer
- **Quality and price** - best quality according to the industry standards is maintained which is very important in the Gems & Jewelry industry and the price at which we offer our products is reasonably less compared to other jewelers as we do not have any overheads.

Jewel Passion is known for its product designs, quality, price and service but out of all the factors, service is the part in which a customer is satisfied the most. In terms of service we stand out because of its uniqueness of providing door step service anywhere at the time and place of convenience of the customer. We have had customers thanking us for this kind of service as they do not have the time to visit any jewelry showroom to fulfill their needs. Most of the customers are quite happy with the designs we have given them so far as well as the price because we do not have any overhead expenses like showroom rent, lighting, staff, etc.

> Are you the first in the market?

The kind of products and exclusive services provided by us right at the door step of the customers are not provided by any other jeweler in Bangalore as per my research. This fact makes us the pioneer in terms of the unique service we provide.

> How do your competitors satisfy or fail to satisfy the needs?

There are no direct competitors to Jewel Passion, but other jewelers are incompetent in providing the kind of 'Door Step Service' and 'Flexi-Payment Option' provided by us. The flexi-payment option was introduced keeping in mind the rising gold prices so that customers are not deprived of buying jewelry. Other jewelers have recently started an option of EMI'S where in the customer pays monthly installments and at the end of the term, with a bonus the customer can buy jewelry. But with Jewel Passion we have the opportunity of 'buy first and pay later' which is found nowhere in other jewelry showrooms.

> What is the barrier to entry for other competitors?

There is no such barrier entry for competitors as this kind of business model though first and unique, is highly replicable. But also there are fewer chances of other jewelers with the kind of mind-set would take the trouble to visit their customer's place to help customers buy jewelry and provide 'the buy first pay later' option.

> **Will potential customers be convinced?**

Jewel Passion started with just 3 satisfied customers but now after one and half year, there are 45 plus satisfied customers in the list of Jewel Passion's clientele. The customer base has increased only because of viral marketing and word of mouth by our satisfied customers. Our customers trust us in terms of quality, purity, designs and service and at the same time we trust our customers with regard to the payments. We believe in building long term relationship based on trust and ethics.

> **What development do you expect from competitors & when?**

As said earlier, we do not have any direct competitors and since Jewel Passion being a unique business model has taken care that our way of doing business is not exposed to the indirect competitors. Our aim is to help people buy gold, silver & diamond jewelry and not deprive themselves because of the rising prices. After a small survey, it has come to our knowledge that few leading jewelry showrooms in Bangalore have come out with a strategy in order to help customers buy jewelry. The scheme chalked out by them is, the customers will have to pay a monthly instalment of a certain amount for a certain period and the end of the term, the customers can avail a bonus and convert the entire monthly instalments paid by them into jewelry. But the model on which Jewel Passion works is 'buy first pay later', which is quite diverse and attractive to customers.

> **Intellectual property protection**

Jewel Passion, being a medium scale business and still in the mid-stage of introduction & growth cannot have any intellectual property as such.

> **The likely life- cycle of the product / service**

Jewel Passion does not produce bulk products or homogeneous products, so they cannot have a product life cycle. Also since the products are high value products and considered to be assets there can no saturation or decline stage of such products in our kind of industry. But the designs and trend of our jewelry may go through a life cycle. First when a design is introduced in the market and it is liked by the customers, it goes through the growth stage via word of mouth and viral marketing. Once all the prospective buyers have satisfied themselves by buying the particular designer jewelry, then it might eventually die down giving rise to new designs depending on the current market trend.

Market Analysis

> **How big is the Target market?**

The major target market of Jewel Passion is the working class of Bangalore chiefly women. Jewel Passion targets those people who do not have the time to visit a jewelry showroom to fulfill their needs of buying gold, silver or diamond jewelry mainly working professionals, school and college lecturers. Since this is a jewelry industry, our primary target is women of the working class as men are not much interested in jewelry.

Jewel passion started out with catering to only one college in Bangalore, but now we cover up to many colleges, serving to the needs of the prospective buyers. The size of the working class in Bangalore is huge comprising of almost 55% of the total women population. So far we have been catering to the needs of the college lecturers but now we have expanded our operations to serve working professionals by helping them buy online through email marketing carried out by us and through our company website. We aim to target and increase our market share by adding another 500 customers to the list of 50 customers we have right now. They are also looking forward to venture into new markets and make house wives our prospective buyers by making them aware of our products and service.

> **What is the market share of each existing competitor?**

In this highly competitive and aggressive industry it is difficult to retain the loyalty of the customers and maintain a market share and since our business model is different from the normal business carried out by other jewelers, our market share does not conflict with the other jewelers.

> **Are there opportunities to collaborate with competitors rather than compete head on?**

In the first place the business does not have to face aggressive head on competition with our kind of business model but there have been opportunities where they have collaborated with other jewelers to satisfy the needs of our customers. Since the business is a small rather medium scale business it has limited resources available and because of this they have to approach other jewelers to maintain the smooth running of our business operations.

Marketing & Promotion

Making the product/service known:

The company being a start up requires the support of various marketing and promotional activities to create awareness of our various products and services. It cannot depend only on word of mouth and in order to expand our business operations and venture into new targets markets and to increase the customer base, they have to formulate marketing strategies and ways to promote the products.

Creating interest:

Jewelry since ages has been a women's fantasy and the only challenge in creating interest in the customer is the eye-catchy designs. The company needs to constantly keep track of the changing trends in the market and accordingly design and manufacture products that are at par with the latest fashion and trend in the industry.

Forms of promotion:

The various forms of promotion carried out by Jewel Passion are

Viral marketing - a satisfied customer spreads the message of designs, quality and service to friends, relatives and colleagues.

Kiosks at exhibitions - it is very important for us to set up stalls at highly crowded and visible places to promote our existing and newly introduced products. **S E-marketing** - this is a cost efficient method where a large number of people can be sent out emails especially during festive seasons where they can know about our products and approach us for price, delivery and other things.

Website - in today's techno-savvy era, a website is an important part of a business to display about the company, the products, the service and acts as a virtual representative of the company.

The Management Team

> **Who are your key managers?**

Jewel Passion is a recent start up with limited business operations and a small customer base so all the business operations are sole handedly handled by the owner Abhishek Roonwal as of now. Once the business starts expanding and enter new markets, one or two managers can be appointed to handle certain departments like purchase, order follow-up, delivery, payments, etc.

> **How do you intend to retain, attract & compensate key people?**

Jewel Passion is associated with many key people including suppliers, dealers and craftsmen. The most vital part of Jewel Passion are the craftsmen (Goldsmith) who design and craft a beautiful piece out of raw gold. The craftsmen have an uncompromising commitment towards the quality with an eye for design, style and market trends. The craftsmen who work have a working knowledge of more than a decade in crafting variety of gold and diamond jewelry and silver articles. In today's time it is not only a challenge to retain customers but we also face the challenge to retain good craftsmen. Everyone seeks for better opportunities and in this aggressively competitive industry there is a huge demand for good artistic goldsmiths. The best way to retain good talent is to pay the employees well that is best in the industry. More than the monetary fact it is important to treat the employees like a family. At jewel passion, the suggestions of the craftsmen regarding the designs and other variables

attached to a product are given importance as they are the people who actually have the hands on experience.

> **What are their skills & how does it relate to the success of this venture?**

They have the local craftsmen along with other craftsmen who are migrants from various backgrounds such as Calcutta, Gujarat, Bombay, Andhra Pradesh and Tamil Nadu. Every craftsman is dedicated to a particular kind of jewelry like antique filigree jewelry, south Indian A.D jewelry, Bombay CZ Signity jewelry, plain gold Calcutta jewelry, hollow Singapore jewelry, nakshi jewelry and temple jewelry. We have different set of craftsmen for diamond jewelry and silver articles. Every group of goldsmiths has a head and all of them work on a particular kind of jewelry. Certain designs in gold and silver which cannot be made in Bangalore because of non-availability of resources are sent to Chennai or Jaipur as we have links in these two cities.

The artistic hands of the craftsmen have a great deal of importance relating to the success of our business. Every customer wishes to own an exclusive and exquisite piece of jewelry which they can cherish for generations and the master mind and hard work behind it is the talent and skill of the craftsmen. Whenever a customer suggests a design to be made for her/him, the advice of the craftsmen is taken into consideration because they can picture as to how the design will look once it is completed.

Long- term personal objective of management

The primary objective is to retain best talent with them in the form of artistic craftsmen as well as have good business relations with all our connections and collaborators who supply us with raw materials; semi- finished products and finished products, for a long term for the smooth running of our business operations. Jewel Passion understands that the business depends on the smooth transactions with their associates which help them to cater to the needs of the customers and satisfy them. All these collaborators are channels through which a customer is delivered the product. Any sort of disturbance in this channel will cause hindrance in delivering a finished product to a customer.

> **Where will you be 5-10 years from now?**

The company aspires to establish itself as one of the leading, affordable and trusted jewelry brands in the minds of the consumers making jewelry an 'everyday affair'. "We shall progress even better in terms of custom made jewelry, innovative and exquisite designs, superior quality products and personalized service to fulfill the needs of every customer. We aim to have a strong customer base of over 1000 customers within 5 years and expanding its operations and service to other cities by setting up centers as well as seeking new avenues for growth" says Abhishek.

• **Financial Projections**

When Jewel Passion started in August 2010, the revenue for the first six months was just 3 lakhs and it saw a continuous growth, generating total revenue of 1.5 Crores till date.

Conclusion:

Entrepreneurs have an aptitude for spotting and seizing opportunities. If you read the first pattern carefully, you'll notice that this pattern has two elements in it. First is spotting the opportunity and second, seizing it. These are two entirely different things. The first is recognizing an opportunity and the second is acting on the opportunity. Entrepreneurs have a gift for noticing the extraordinary in the ordinary. They are able to find opportunities that are hidden in plain sight. To them, problems are opportunities just waiting to be unlocked. It's not so much about finding a solution that makes one an entrepreneur. Anyone can find a solution to any problem. What defines an entrepreneur is his or her ability to find unconventional solutions to ordinary problems. Being unconventional doesn't mean inventing some new technology rather It is about finding an innovative and creative way of doing things.

AUTHOR'S PROFILE:

Ms. Sumita Kumar is Assistant Professor, Department of BBM Mount Carmel College, Bangalore