X-Plant of St. Xavier’s College, Ahmedabad

Business Analysis

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The Applied Global Business Learning group of 2013 would like to thank St. Xavier’s College community for their kindness and for making this opportunity of a lifetime possible. We would also like to thank Marquette University’s College of Business Administration for their constant financial and moral support to Applied Global Business Learning. We would like to express our appreciation to Dr. Heather Kohls who directed the AGBL program and made this amazing trip possible. A great appreciation also goes to Dr. David Clark and Mrs. Beth Krey who mentored us and provided safety for us throughout our entire journey. Furthermore, our gratitude goes out to Fr. (Dr.) Robert Arockiasamy, the Principal of St. Xavier’s for his generosity and financial support of the project. We also thank Dr. Sudeshna Menon, the X-Plant faculty advisor for her assistance in setting up interviews with X-Plant departments. A final thanks goes out to the St. Xavier’s students who were very kind and hospitable. This type of exchange has allowed us to open our minds to new and different cultural perspectives and experiences. We are forever grateful that we were able to participate on this project involving an international exchange with St. Xavier’s College.
INTRODUCTION

After interacting with the participants of X-Plant, we were exceedingly impressed by the company as a student-run organization. Although the past year brought about many challenges for X-Plant, the organization effectively responded to each crisis. For example, the company was forced to reassign several leadership positions when the department head’s performance was low, and the company also established preventative measures to help stop contamination in the lab. Additionally, the group of students responded to the introduction of a new academic calendar by creating an updated schedule for training new student members. Remarkably, X-Plant members maintained a positive attitude and overall enthusiasm for the organization throughout the crises, which will help the organization to move forward and grow stronger.

That being said, we believe that the following recommendations will help X-Plant continue to recover from the lab contamination and improve the efficiency and profitability of this already well-developed and well-run organization. We believe that these actions will be beneficial to X-Plant, and will serve the long-term interests of the organization as it works towards continual and ongoing improvement.

RECOMMENDATIONS

QUALITY CONTROL

This year the switch of St. Xavier’s academic calendar caused the problem of contamination to occur immediately for the new group of students because of the long summer vacation. Also, a weak turnover process from last year’s student leaders exacerbated the contamination problem. This problem was not resolved in a timely manner and created ongoing inventory problems for the firm, ultimately leading to a shortage of products to sell. The company reacted to this problem by creating a penalty to those who contaminated the product. This was a good idea; however the implementation was incomplete due to a lack of communication with Human Resources. Also, there was a lack of communication with Research and Development to find better ways to reduce contamination. Overall, these problems suggest that X-Plant needs to work continuously on improving communication within the organization.

A recommendation for how the company can communicate better can be done through a weekly department meeting to go over weekly goals, previous week’s drawbacks, and ways to cope with these hindrances or issues. These meetings should be followed by an e-
mail on what was discussed at the meeting, so there is no uncertainty and this information is in writing. This e-mail should be sent out to all departments so that everyone understands what is expected of them. In addition, records should be recorded properly and reviewed from time to time on how contamination occurred and what preventative measures will be taken in the future so the problem will not happen again. These records will not only help current students, but also future X-Plant students. Lastly, a transition from any departing students to the students who will take over the following year is highly recommended. It is also recommended that students stay in contact with the X-Plant alumni in case of uncertainties or questions.

WEBSITE ISSUES

The product itself is one of the most important parts of a company. The company should regularly communicate updates about the X-Plant to potential customers and possible repeat customers. A great way to display a product to potential customers is through a website. X-Plant has a website, but this website should be consistently updated to accurately reflect what the company is selling. Currently, the website lists plants that are no longer for sale and there are also gel colors on the website that X-Plant does not currently sell. It is important to have an accurate depiction of the product so that customers will not be disappointed should they call to place an order. There should be a consistent communication with marketing on what the products look like and what future products will look like. Products that are no longer for sale should not be on the website.

Additionally, the website page should include information about the workshops. This will help keep other prospective customers updates about X-Plant’s other services.

PRODUCT DESIGN

To share your final product design, a recommendation would be to focus on one or two popular X-Plant stands vs. a wide variety of options. Having a couple popular products is easier to manage and market as opposed to having many options. This will also help with inventory issues especially related to the stands that you offer and by limiting the options, it will make it easier to maintain an accurate depiction of your product line on your website.
**PRODUCTION**

X-Plant had a serious problem with contamination this year leading to a very small inventory of the actual product. Because of the change from the quarter system to the semester system, contamination increased. Stocks of X-Plants were depleted which detrimentally impacted your ability to fill a mass order. A more accurate assessment of your production capabilities in light of the contamination should have been done before you committed to such a large order. Once the contamination problem was made clear, there should have been more of a focus on maintaining the uncontaminated inventory and trying to build up your inventory levels. The unfilled rose order not only disappointed a customer, but it also negatively impacted the morale and focus within the company.

When dealing with a crisis such as this, production should focus on what they can do in the near-term, and in this case, that meant restoring inventory levels. Only after that was accomplished should you commit to the filling of a large order. Consistency in the work ethic needs to be encouraged. People need to show up to put in work for the company on a consistent basis. Improvement in this area will help X-Plant effectively deal with crises when they occur.

**RESEARCH & DEVELOPMENT**

Due to a weak handover by the graduating class, lack of funds, a huge bulk order, and missing data, the Research and Development department had a difficult time this year as a department. Throughout the entire year there was a major problem with contaminated plants. The Research and Development department should continue to focus on ways of innovating and creating new products. Equally important is figuring out better ways to reduce contamination. Progress in product development and mitigating contamination needs to be accurately documented. You want to learn from past mistakes, not repeat them and accurate and complete documentation is the key to continual improvement in processes.

The company also experienced a shortage of funds throughout the company this year. Research and Development should communicate more with the Finance Department in order to form a budget, which the department should then work to follow. It should be noted that the R&D department were able to generate significant funds from their workshops and the department should think about ways of building on that success.
Indeed, the workshops were X-Plant’s best revenue source. Research and Development should consider ways of expanding these workshops (e.g., work with the Marketing Department to recruit more people to existing workshops and/or create new and better workshops to have repeat customers).

MARKETING

Due to the high concentration of effort needed to recover from the aforementioned crises, X-Plant did not focus the appropriate level of energy on marketing efforts. Despite the decrease of plants due to contamination, X-Plant still needs to be actively marketing its products to potential customers. Therefore, the first problem we noticed was X-Plant’s lack of marketing implementation. To fix this, X-Plant should first make sure that a live X-Plant is always sitting on the St. Xavier College Principal’s desk. Many alumni and seasoned academics visit the president’s office, and the plant could serve as a point of conversation and advertisement. Additionally, a member of X-Plant should update the website immediately. X-Plant’s website is out of date and does not portray the company correctly. An updated website would help current and potential customers stay up to date with X-Plant and order the products as well. We suggest updating the product list and listing each product’s price.

Finally, the marketing department needs to identify a target market to which they want to appeal. Identifying your target market will help you focus on the people who will most likely buy the product from you and also those who are more prone to become repeat customers. This will help you have more of a focus and you will be able to use your time more efficiently. For example, focusing on selling to groups like St. Xavier’s alumni would be a good use of resources. In addition, encourage friends and family members to also buy an X-Plant.

In assessing X-Plant, we also saw a need to increase workshop attendance. Marketing should work closely with R&D to increase attendance by networking with St. Xavier’s alumni, family and friends. You should also advertise to middle schools and high schools because this is a prime market for sales.

HUMAN RESOURCES

The crises that X-Plant experienced during the past year highlighted the importance of having a strong Human Resources department. During our interaction with X-Plant
employees, we noted that the company needed to improve on fostering communication, forming short-term goals, and enforcing attendance fines. To help improve communication, we suggest that the CEO/COO continue their regular meetings with each department head in order to keep everyone updated. We also suggest that X-Plant assigns a member to send out weekly e-mails to all employees. The weekly e-mail would include announcements from each department head and any other necessary members. To increase each department’s focus, each department head should broadcast short-term weekly goals as well in the newsletters. This will not only help improve company focus, but it will also be an efficient way for human resources to gauge department performance. Finally, the Human Resources department needs to be more punctual with enforcing attendance fines. Student attendance is vital for the company to run and for the students to get the most they can out of the program. We suggest that fines should be assigned when appropriate and collected the day of the monthly meeting. If a student misses a payment, a late-payment penalty should be assessed. That is, the payment should increase every month that the fine is outstanding. This should encourage each X-Plant member to be prompt in paying fines.

FINANCE

Because Finance is its own department, X-Plant needs to focus more on the Finance Department’s function within the overall company. The primary goal for the Finance department right now is to form a budget for X-Plant. A budget is an estimate of income and expenditure for a set period of time. Along with forming a budget, X-Plant should establish a contingency fund. This would be useful when new supplies need to be ordered or unexpected costs arise. The leadership team should establish a target level of funds for this purpose and then devise a strategy to achieve that goal. Finally, in order to fix the issue of missing records, the Finance department should put together a report each month that shows X-Plant’s finances. The reports should be discussed at the monthly meetings and then stored on the computer.
CONCLUSIONS AND NEXT STEPS

Marquette’s AGBL team this year was very impressed by the manner in which the X-Plant company handled the problems that arose over the course of the year. There were many external factors that affected the company in a negative light; however, X-Plant employees persevered during these very difficult circumstances. There were obstacles that they were forced to confront, and while these problems reduced their growth potential this year, the management team did successfully work through the problems they faced. We admire the company’s resilience this year for the X-Plant company when it came to weather, a different schedule and a bad handoff from the previous leadership team. X-Plant employees successfully addressed many of the obstacles that they faced.

Additionally, the X-Plant company as a whole needs to document as much information as they can to support a smooth transition between student batches. We believe that you should begin by preparing a training manual with chapters for each department or functional area. This manual would then be updated annually so that the new leadership team can learn from the collective insights of past X-Plant leaders. A thorough leadership handoff process also requires active communication between the departing and entering leadership teams. You should also maintain avenues for communication with other X-Plant alumni. Enhanced communication with existing X-Plant members as well X-Plant alumni will allow the company, the departments and the individual employees to function more cohesively as a team. The improved transition process will allow each subsequent leadership team to truly build off of the work done by the previous group of X-Plant employees. Documentation will also allow future X-Plant members to have clarity when they are unsure of something. Finally, looking to the future, as X-Plant grows and changes, communication with St. Xavier’s College – its parent company – will help provide direction and inspiration for the expansion of its product line and the direction of its decisions. Communicating with X-Plant alumni can lead to more business and more information. X-Plant can sell their products to alumni and get clarification on certain issues.

Although this year X-Plant faced many obstacles they still have potential for growth and we hope that our recommendations will help X-Plant to be successful. The current members of X-Plant have dedicated a lot of their time and effort toward this company. The leadership team is very hard working and eager to do well. The AGBL team appreciates the opportunity to review X-Plant operations. X-Plant met with the AGBL team and was very professional in the way upon which they conducted themselves. We are thankful to have worked with such an outstanding group of fellow students on a global level. We hope that the suggestions that we have made can help the organization achieve growth and success. Thank you for your professionalism, friendliness, and collaboration with us.