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Transition for Growth*

Background

Sreedar Mohan & Associates, Chartered Accountants (CA), is a Certified Public Accountant firm over 12 years old, registered with the Institute of Chartered Accountants of India (ICAI). The firm started with two employees and has since grown to 75 employees. They have extensive knowledge and offer services in accounting, auditing, finance, taxes, and consulting from a fresh perspective. They offer two different types of services: auditing services and management support services, which cover a wide range of services with an emphasis on finance, accounting, audit, operations, taxation, management consulting, and other advisory roles to their company clients. The firm's Unique Selling Proposition (USP) is the fact that in addition to offering business advice, they actually carry out their clients' plans. They excel in identifying the problems and offering solutions.

Their client base includes over 200 significant multinational corporations, private and public sector corporations, government and semi-government agencies, partnerships, and high net worth individuals. Seven years ago, working for one small firm brought a unique experience to Mohan & Associates among 150 Small and Medium Businesses (SMBs). The firm in question was a small, profitable FMCG retail business operated by a sole proprietor for 40 years, with a small number of staff adhering to conventional business practices. Despite not having plans for future business expansion, the business was generating enough revenue to sustain itself. The owner, who was in his 60s, decided to hand over the business to his only daughter, who was in her 20s.

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* *This case was developed by Padmalini Singh (RV Institute of Management, Bangalore), R.Prabusankar (D. J. Academy for Managerial Excellence, Coimbatore), Loganathan B (VELS Institute of Science, Technology and Advanced Studies), S. Dhanabagiyam (NSB Academy, Bangalore), Pankaj A Nandurkar (Dr. V. N. Bedekar Institute of Management Studies, Thane) and Jyoti Shekhar Jakhete (G. H. Raisoni Institute of Engineering and Business Management, Jalgaon , Maharashtra) during the 8th Online Case Writing Workshop organized by the Association of Indian Management Schools (AIMS) from March 9-11, 2023.*

The authors are thankful to Sreedar Mohan & Associates for sharing the information to write this case study.

The vast generational gap made this transition seem daunting. Initially hired by the small FMCG retail client to perform auditing work, Sreedar Mohan & Associates, CA eventually expanded their consulting services to include advising on a steady transition and future growth strategies to take the business to the next level.

The Story of Maheshwari-PL Retail Business's FMCG Retail Firm

Maheshwari-PL Retail Business successfully ran a small retail FMCG firm for 40 years in a competitive market by working with premium brands. Despite the small size of the business, the turnover was substantial. He employed 25–30 people to handle retail, production, and other organizational functions. The workers were so committed to the business that their initial salary of Rs. 10,000 was raised to Rs. 30,000, resulting in no attrition. Since the majority of the workforce was illiterate, the organization mostly used traditional business practices for its daily operations. Most transactions were made in cash, and records were not maintained.

As a seasoned businessman, Maheshwari intended to rely heavily on his instincts while making decisions about daily operational matters, staff bonuses, and setting product prices. His decision-making served him well for the past 40 years, and his choice to manage a successful firm without taking bank loans was another decision that worked for a long time.

Assessing the business situation

Sreedhar Mohan & Associates, CA were tasked with analyzing the operations of a family-owned FMCG Retail business run by a single owner, Maheshwari-PL Retail Business. The organization lacked a formal organizational structure, and Maheshwari made all decisions as the sole decision-maker. The owner lacked the education necessary to implement any business plans to expand the company, and the company had no technology advancements in business operations due to the owner and personnel's lack of skills. While the retail and production departments were functional, all other organizational functions were taken care of by a single person, and due to the lack of records, the business decisions were solely based on the owner's gut feelings instead of any data.

The employees were mostly old and uneducated, and there was a resistance to change. There was a huge manual process followed by the employees to do their duties. Also, they had no enthusiasm in learning new skills because they thought doing so would increase their responsibility. The salary and bonus were decided by the owner on an ad hoc basis. The company had rudimentary banking procedures and refrained from borrowing from banks as the owner tended to rely on his instincts for making decisions and believed that it would occasionally make it difficult for him to repay the bank loans. Product pricing was based on parity pricing and intuition, which led to a lack of competitiveness in the market. The business did not have any safety and security facilities, which put the employees and the business at risk. The lack of technology and manual processes made the business inefficient and unproductive.

Assessing the business risk and business transition

The consultants' first step was to convert the sole proprietorship into a private limited company. This conversion required significant changes to the business's legal and financial structure. Sreedar Mohan & Associates, CA worked closely with the business to ensure a seamless transition. The next step was to appoint two Chartered Accountants (CAs) to input data into an Excel spreadsheet. This allowed for better tracking and monitoring of financial transactions, which was essential for the new private limited company structure. Additionally, the company established a budgeting system to ensure that financial resources were being used effectively and efficiently. To streamline and improve business operations, Sreedar Mohan & Associates, CA introduced an Enterprise Resource Planning (ERP) system and other digital tools. The implementation was done in phases over a period of three months per phase.

The switch from a manual to a digital procedure was gradual. Employees were initially instructed to enter the transactions in a manual accounting book. The consultant's efforts to reduce the recording inaccuracies took almost a year. Tally software was added when employees developed a habit of manually recording data, and now they were required to enter the same data digitally. An elementary ERP software was introduced once the switch from manual to digital was made, and staff members were trained to use it for data recording. As the company continued to grow, it became clear that a more advanced ERP and other digital tools was necessary. Sreedar Mohan & Associates, CA recommended and implemented an advanced ERP system that cost 2.5 crore rupees. This new system allowed the company to better manage inventory, sales, and financial reporting. The ERP and other digital tools allowed for better tracking of inventory, sales, and other key business metrics.

Technology-based training for upskilling and cultural workshops to bring about the attitude change were held regularly to counter employee resistance to change. Third party agency was called to do a leadership assessment to know the strengths and weaknesses of each employee to match them with appropriate job functions. Gradually, the advisors were able to build and strengthen a banking system within the company.

Eventually, they persuaded Maheshwari to take out small loans, which laid the groundwork for larger borrowing. With this new financial stability, the company was able to invest 180 Crores in building a new factory. A fancy office with all the necessary safety features was built. With clearly defined objectives, various departments were established, including CSR, Supply Chain, Human Resources, Accounting, Purchasing, and Pricing.

For better performance across all departments, the Balanced Scorecard was implemented. This tool also assisted the business in making data-backed decisions on employee incentives. A separate pricing department was created in order to fix the prices of competitive FMCG products using rational calculations rather than intuition. The entire transition assisted senior management in understanding the need of basing business decisions on evidence rather than on intuition. Currently, a feasibility study is first approved by the finance department, and then senior management reviews it for final approval.

The way forward

Looking towards the future, the FMCG retail business is well-positioned for continued success thanks to the comprehensive growth strategy implemented with the help of the consultant. One key aspect of the strategy was the preparation for an initial public offering (IPO) within three years, which will provide the company with the capital and resources necessary to further invest in growth and innovation. The formation of an advisory board consisting of experienced industry leaders, investors, and consultants will continue to provide valuable guidance and expertise on key business issues, ensuring that the company stays up-to-date on the latest market trends and competitive analysis.

Expanding into new markets will remain a priority for the company, with a focus on developing new products and channels that appeal to a global audience. Ongoing research will be conducted into new product categories and geographies, and new distribution channels and partners will be identified to help reach new customers. The customer experience will continue to be a critical factor in building brand loyalty and driving sales growth. The company will continue to develop innovative customer experiences that set it apart from the competition, leveraging new digital tools and platforms to make it easier for customers to shop, discover new products, and engage with the brand. Ongoing employee training and development programs will ensure that the highest level of customer service and support is provided.

Finally, investing in high-end technology will remain essential to driving growth and innovation, with a focus on identifying new technologies and platforms that can improve operational efficiency, enhance product offerings, and drive new revenue streams.In conclusion, the FMCG retail business is well-positioned for long-term success, thanks to the comprehensive growth strategy implemented with the help of the consultants. The consultants were proud to be part of this transformative journey and looked forward to seeing the company continue to thrive and innovate in the years ahead.

Questions

1. Discuss the challenges faced by Sreedhar & Mohan Associates, CPA firm, during the business transition of Maheshwari-PL Retail Business.

2. What measures did Sreedhar & Mohan Associates, Chartered Accountants (CPA), take to ensure a smooth transition of Maheshwari-PL Retail Business's business? Discuss

3. Why were the employees very reluctant to change? What did Sreedhar & Mohan Associates, CPA firm do to bring the necessary change among employees working at Maheshwari-PL Retail Business's business.

4. What technological interventions were bought by the Sreedhar & Mohan Associates, CPA firm in Maheshwari-PL Retail Business's Business and how did it help his client Maheshwari-PL Retail Business to grow the business?

Teaching Note

Transition for Growth

1. **A synopsis of the case**

   Sreedar Mohan & Associates, CA, 12 years plus experience and 200 Client base performs auditing services and management support services, which cover a wide range of services with an emphasis on finance, accounting, audit, operations, taxation, management consulting, and other advisory roles to their company clients. Seven years ago, working for one small firm brought a unique experience to Mohan & Associates among 150 Small and Medium Businesses (SMBs). Maheshwari, a sole proprietor of PL Enterprise hired Sreedar Mohan & Associates for auditing work but eventually expanded their consulting services to include advising for a steady transition and future growth to take the business to the next levelashe decided to hand over the business to his daughter who was just 20 years old. The vast generational gap made this transition seem daunting for Sreedhar and Mohan Associates, CA who was tasked with analyzing the operations of a proprietorship family business of a FMCG Retail.

Based on their suggestions, the organization was restructured, converted into a Pvt. Ltd. company, and introduced ERP and other digital tools in a phased manner. A proper HR policy for bonuses, leaves, and established a process for cash handling and financial assistance from banks, different departments were established (SC, HR, A/C, Purchasing, pricing departments, CSR department). In the future, they plan to go for an IPO within 3 years, set up an Advisory Board, develop new products & channels for the Global market & create an Innovative customer experience (CX), and invest in high-end technology. This case highlights the successful transition process of a small FMCG retail business from a conventional setup to a modern, organized structure through the integration of two theoretical models - McKinsey 7-S Model and Enterprise Risk Management.

2. The target learning group

Te case will be beneficial for budding entrepreneurs, academicians and MBA students & research scholars.

3. The learning/teaching objectives and key issues

i. To help students understand the challenges and opportunities present in the FMCG retail business.

ii. To emphasize the importance of family businesses adapting to modern management practices in order to remain competitive and sustain their operations.

iii. To provide participants with knowledge and tools for effectively managing wealth in a family business context.

iv. To teach participants how to use the McKinsey 7-S Model to effectively manage organizational change.

v. To explore the benefits and potential drawbacks of implementing ERP systems and other digital tools in a business context.

vi. To provide strategies and best practices for working with unskilled employees and transforming them into valuable contributors

vii. To educate participants on how to leverage the banking system to promote growth and expansion in their business

viii. To demonstrate how effective accounting systems can contribute to business growth and success. Top of Form

Key Issues

a) Lack of essential knowledge and skills to run the family owned business.

b) Lack of capability in decision making for strategic planning and change management.

c) Lack of competent skills and experience for transforming the business for the next level.

d) Authority and responsibility is more centralized.

4. The Teaching Strategy

1. Induce the discussion with the participants relevant to the case. (About FMCG business)
2. Small groups will be formed where cases will be discussed amongst students. (Qualities of entrepreneurs)

    - Overview of the case by one of the groups (5 min)
    - overview by faculty (5 min)
    - Bringing out case facts, from students (10 min)
    - Identification of various problems (15 min)
    - Evaluating various solutions (30 min)
    - Identifying the best possible concrete solution (decision) (30 min)
    - Take away (concepts) (10 min)
    - Conclusion (5 min)

3. The teacher will discuss the key concepts of the case with the students using PowerPoint presentations.

5. Questions for further discussion

1. **What were the key factors that contributed to the success of Maheshwari FMCG retail business transformation, and how can similar strategies be applied to other organizations facing similar challenges?**

   Organizational change management is a critical process that helps companies effectively plan, execute and implement changes to their business operations. To address the issues facing the retail FMCG business, the following strategies can be adopted:

   1. Develop a clear change management plan: This involves creating a detailed roadmap for how the changes will be executed, who will be responsible for what tasks, and a timeline for completion. It is essential to communicate this plan to all stakeholders, so everyone is aware of what is happening.
   2. Communicate the need for change: It is important to communicate the reasons for the changes to all employees, including the benefits that the changes will bring. This will help employees understand why the changes are necessary and get their buy-in.
   3. Engage and involve employees: Involving employees in the change process can help build ownership, commitment, and engagement. The management should seek employee feedback and suggestions on how to improve the implementation process.
   4. Invest in training and development: The implementation of any new system requires employees to be trained on the new technology or process. Investing in employee training and development ensures that employees are equipped with the skills and knowledge required to carry out their tasks effectively.
   5. Monitor progress and measure success: It is important to monitor the progress of the changes and track the effectiveness of the implementation. This will help identify areas that need improvement and ensure that the changes are meeting their intended goals.
   6. Celebrate successes and learn from failures: Celebrating successes and recognizing employees who have contributed to the success of the implementation process can help build morale and reinforce the importance of the changes. Similarly, learning from failures can help identify areas for improvement and ensure that similar mistakes are not repeated.

7. Build a culture of change: Finally, it is important to build a culture of change within the organization. This means promoting a mindset that embraces change and continuous improvement, and recognizing that change is a necessary part of staying competitive in the industry.

2. How can the McKinsey 7S Framework be utilized to identify and address the strategic issues faced by a retail FMCG business, and what are the key recommendations for improving the organization's effectiveness?

This case study can be analyzed with the major strategic issues faced by a retail FMCG business using the McKinsey 7S Framework. The framework is a management model used to identify and analyze the internal factors of an organization, and how they interact with each other to create the organizational culture, values, and performance. The retail FMCG business is facing a range of strategic issues that are affecting its overall performance and competitiveness. Using the McKinsey 7S framework, we participants can identify the following key areas of concern:

1. Strategy: The company lacks a clear and well-defined strategy for growth and expansion. The owner is reluctant to borrow money from banks and does not want to take any risks, which has led to a conservative approach to business development.

2. Structure: The company has a simple and outdated organizational structure, with no other departments other than retail and production. The backend functions are managed by a single person, and there is a lack of clear roles and responsibilities.

3. Systems: The company relies heavily on manual processes, with no technology infrastructure or systems in place. There is no budgeting system, and the accounting processes are manual, leading to a lack of financial transparency.

4. Skills: The workforce is made up of old and uneducated employees, who have a resistance to change. There is a lack of skills and training programs to develop the workforce and improve their productivity.

5. Staff: There is no formal HR department, and the owner manages all HR functions. There is a lack of performance management systems, and employees are not motivated to improve their performance.

6. Style: Decision-making is based on intuition, with no formal processes or procedures in place. The owner is reluctant to take risks and does not want to borrow money from banks.

7. Shared values: The company does not have a clear set of shared values or a strong organizational culture. There is a lack of focus on customer service and product quality.

   The McKinsey 7S framework is a management model developed by the consulting firm McKinsey & Company. It focuses on seven internal elements of an organization that need to be aligned in order to achieve success. The framework includes:

   1. Strategy: The overall plan for the organization, including goals, objectives, and tactics.
   2. Structure: The organization's design, including its hierarchy, reporting relationships, and division of labor.
   3. Systems: The processes and procedures used to accomplish tasks, including technology, workflows, and communication methods.
   4 Shared values: The core beliefs and values that guide behavior and decision-making within the organization.
   5. Skills: The capabilities and competencies required to execute the strategy and achieve the organization's goals.
   6. Staff: The people within the organization, including their number, skills, and roles.
   7. Style: The leadership style and culture of the organization, including how decisions are made, how communication flows, and how conflicts are resolved.
      i. Introduction to the McKinsey 7S Framework: Provide an overview of the framework and how it can be used to analyze the internal factors of an organization.
      ii. Analysis of Strategic Issues: Use the framework to analyze the strategic issues faced by the retail FMCG business of Maheshwari. Discuss each of the 7S elements and how they interact with each other to create the current organizational culture and performance.

iii. Discussion of solutions: Based on the analysis, discuss potential solutions to address the strategic issues. For example, implementing a new technology infrastructure, establishing a formal HR department, and developing a clear strategy for growth and expansion.

iv. Implementation Plan: Develop an implementation plan for the solutions discussed. Identify the key stakeholders involved, timelines, and budget requirements.

v. Evaluation and Review: Discuss how the effectiveness of the implementation plan will be evaluated and reviewed, and how changes will be made if necessary.

3. Identify the major problems/challenges faced by entrepreneurs in small-scale retail businesses. Comment with possible reasons.

Family-owned FMCG retail businesses often face several challenges due to their unique structure and dynamics. Some of the challenges that such businesses face and some recommendations for improvement are:

1. Leadership Transition: One of the significant challenges faced by family-owned businesses is the transition of leadership from one generation to the next. To overcome this, it is essential to plan ahead and develop a clear succession plan that outlines the roles, responsibilities, and expectations of each family member in the business.

2. Lack of Professionalism: Family-owned businesses often lack professionalism, which can lead to inefficiencies and poor decision-making. It is essential to develop a professional work environment that emphasizes merit-based hiring, performance management, and regular training and development of employees.

3. Limited Access to Capital: Family-owned businesses may face difficulty in accessing capital, especially if they lack a formal organizational structure and well-documented financial statements. To overcome this, it is essential to develop a robust financial management system that can provide clear visibility into the company's financial health and profitability.

4. Resistance to Change: Family-owned businesses may resist change due to a strong attachment to traditional methods and practices. It is essential to

foster a culture of innovation and openness to change by encouraging employee feedback, conducting regular audits, and benchmarking against industry standards.

5. Lack of Succession Planning: Family-owned businesses may face significant disruptions if key family members unexpectedly leave the business or are unable to carry on their responsibilities. To overcome this, it is essential to have a clear succession plan that outlines who will take over leadership responsibilities in case of an emergency.
6. Limited Use of Technology: Family-owned businesses may lag behind in adopting the latest technology, leading to inefficiencies and reduced competitiveness. It is essential to invest in the latest technology solutions, such as ERP systems, data analytics tools, and e-commerce platforms, to improve operational efficiency and enhance customer experience.

   Overall, family-owned FMCG retail businesses face unique challenges that require a combination of careful planning, effective leadership, and continuous improvement to overcome. Top of Form

4. **How can Maheshwari-PL Retail Business's Organization in this case can integrate its various functional Departments? Discuss the Steps of implementation of ERP system in brief.**

   Integrating various functional departments can be challenging for any organization, especially for family-owned businesses that may have a more traditional and hierarchical structure. However, it is crucial for the success and growth of the business. Here are some ways Maheshwari-PL Retail Business's organization can integrate its various functional departments:

   1. Establish clear communication channels: The organization should establish clear communication channels between the different departments to ensure that everyone is aware of the company's goals, objectives, and priorities. This will help to avoid any misunderstandings or conflicts and ensure that everyone is working towards a common goal.
   2. Encourage collaboration and teamwork: Encouraging collaboration and teamwork between different departments can help to foster a sense of unity and improve overall performance. This can be achieved through team-building exercises, joint projects, and cross-functional training.

3. Implement an ERP system: An Enterprise Resource Planning (ERP) system can help to integrate the various functional departments by providing a central platform for information sharing and collaboration. The system can help to streamline processes and improve communication between different departments.
4. Encourage employee empowerment: Empowering employees to take ownership of their work and make decisions can help to break down departmental barriers and improve communication. This can be achieved through training, coaching, and mentoring programs.
5. Establish performance metrics: Establishing performance metrics and goals for each department can help to ensure that everyone is working towards a common goal. This can also help to identify areas where departments may be underperforming and require additional support or resources.

   By implementing these strategies, Maheshwari-PL Retail Business's organization can integrate its various functional departments and improve overall performance and growth.

   An organization can integrate its departments by using integrated systems such as enterprise resource planning (ERP) systems and other digital tools. These systems can help to streamline processes and improve communication between departments.

ERP Steps

1. Define business requirements
2. Choose the right ERP system
3. Develop an implementation plan
4. Data migration
5. System configuration and customization
6. Testing and training
7. Go-live and ongoing support

5. **How can an FMCG retail business implement Enterprise Risk Management (ERM) and other digital tools?**

Background: The FMCG retail business operates with no proper bookkeeping, cash tracking, technology, and risk management strategies. The employees lack education and resistance to change. There is no proper departmentalization except retail and production.

<u>From Risk Point of View</u>

The case involves an FMCG retail business that operates without proper financial records, outdated technology, and old employees resistant to change. The absence of safety and security facilities and minimal banking process further exacerbate the situation. The case highlights the importance of Enterprise Risk Management (ERM) and other digital tools and how it can help the organization identify, assess, and manage risks that can impact the achievement of organizational objectives. The case also emphasizes the need for the organization to embrace change and adopt new technologies to mitigate the risks.

<u>Challenges</u>

1. Lack of financial record-keeping
2. No proper cash collection and tracking process
3. Absence of proper departments and technology
4. Old employees with resistance to change
5. Manual process for every function
6. Intuitive decision-making without proper data analysis
7. Minimal banking process and no borrowing from banks
8. Pricing decisions based on parity pricing and intuition
9. No safety and security measures

<u>Solutions</u>

1. Implement Enterprise Resource Planning (ERP) and other digital tools to streamline all business functions.
2. Train and educate employees to increase their skills and knowledge.
3. Hire skilled and educated professionals to fill important positions.

4. Establish proper departments for HR, Finance, IT, and other functions.
5. Develop a budgeting system to monitor expenses and revenues.
6. Introduce a risk management system to identify and mitigate potential risks.
7. Establish a cash collection and tracking process.
8. Use technology to automate processes and reduce manual work.
9. Implement a pricing strategy based on market analysis and competition.
10. Develop a relationship with banks to avail of loans and other facilities.
11. Ensure safety and security measures are in place to protect the assets of the company.

Steps for identifying the risk in Enterprise Risk Management:

1. Identify and define the objectives of the organization.
2. Conduct a risk assessment to identify potential risks that may prevent the organization from achieving its objectives. This may include an analysis of internal and external factors that may impact the organization.
3. Prioritize risks based on their likelihood and potential impact on the organization.
4. Develop a risk management strategy to mitigate the identified risks. This may include risk avoidance, risk transfer, risk reduction, or risk acceptance.
5. Implement the risk management strategy and monitor its effectiveness to ensure that the organization's objectives are achieved.
6. Continuously review and update the risk management strategy to reflect changes in the internal and external environment.

From a management consultant point of view for a FMCG retail business in regards to the above points covering each step of Enterprise Risk Management:

Step 1: Identify Risk

- Lack of financial records and cash tracking can lead to financial mismanagement, fraud, and inaccurate financial reporting
- Lack of technology can result in inefficiencies, errors, and missed opportunities for growth

- Resistance to change from old, uneducated employees can create a culture of stagnation and hinder progress
- Limited departments and decision making based on intuition can lead to poor resource allocation and missed opportunities for growth and profitability
- No safety and security facilities can lead to theft, loss of inventory, and safety hazards for employees and customers

Step 2: Analyze Risk

- Analyze the impact of each identified risk on the business operations, financials, and reputation
- Evaluate the likelihood of each risk occurring and the potential consequences if they do
- Consider the internal and external factors that contribute to each risk

Step 3: Evaluate or Rank Risk

- Rank the identified risks in order of importance and impact on the business
- Prioritize risks that have a high likelihood of occurring and those that have the potential to cause significant damage

Step 4: Treat Risk or Control Risk

- Develop risk mitigation strategies to control and manage the identified risks
- Implement internal controls to prevent fraud, financial mismanagement, and errors
- Invest in technology to improve operational efficiency and reduce the risk of errors
- Develop training programs to educate and motivate employees to embrace change and improve their skills
- Develop safety and security policies and invest in necessary infrastructure to protect inventory, employees, and customers

Step 5: Monitor and Review Risk

- Regularly monitor and review the effectiveness of the risk management strategies implemented

- Update the risk management plan as needed to reflect changes in the business operations, industry, and external environment
- Foster a culture of risk awareness and continuous improvement within the organization

  Overall, the implementation of Enterprise Risk Management and other digital tools can help a FMCG retail business identify and manage potential risks, leading to improved financial performance, operational efficiency, and customer satisfaction.

6. **Suggest Maheshwari, an appropriate Business Models to organize, structure & expand, sustain & compete in this business?**

   The Business models available for a FMCG retail business are:

   1. Brick and Mortar Model - Only Physical Location.
   2. Online Retail Model - Online store.
   3. Hybrid Retail Model - Combination of above two.
   4. Franchise Model - For expanding business.
   5. Subscription Model - Customer pay recurring pay

Reason

One potential recommendation would be to adopt a data-driven business model. This would involve implementing a digital accounting system to track transactions, using technology to improve cash collection and tracking, and establishing departments beyond retail and production. The business could also invest in technology solutions to automate manual processes and improve decision-making based on data analysis.

In addition, the business could consider transitioning to a franchise model, which would allow for easier expansion and growth while minimizing the need for large investments in capital and human resources.

In considering the issues faced by the FMCG retail business in transitioning and risk faced.

The Business model to be suggested forMaheshwariin this case would be Hybrid Retail Model

Background Reading

The below resources can help in understanding the key factors that contributed to Maheshwari success and how the McKinsey 7S Framework can be used to identify and address strategic issues faced by retail FMCG businesses.

1. The McKinsey 7S Framework; by Waterman, R. H., Jr., Peters, T. J., & Phillips, J. R. This article provides an overview of the McKinsey 7S Framework and its applications in strategic management.

2. Successful Organizational Change: Integrating the Management Practice and Scholarly Literatures" by Burke, W. W., & Litwin, G. H. This article provides a comprehensive review of the literature on successful organizational change, including the McKinsey 7S Framework.

3. Change Management: Theories and Methodologies; edited by Szabla, D. B. This book provides an in-depth analysis of various change management theories and methodologies, including the McKinsey 7S Framework.

5. Leading Change; by John Kotter. This book offers practical insights into managing organizational change and provides a step-by-step guide to implementing successful change initiatives.

   The below resources can provide students with an understanding of the steps involved in integrating functional departments using an ERP system and help them analyze Maheshwari-PL Retail Business's case study in depth. Top of Form

6. ERP: Making It Happen - The Implementers' Guide to Success with Enterprise Resource Planning; by Thomas F. Wallace and Michael H. Kremzar. This book provides a comprehensive overview of ERP implementation, including the steps involved in integrating various functional departments.

7. Enterprise Resource Planning: Concepts and Practice by Vinod Kumar Garg and N. K. Venkitakrishnan. This book provides an in-depth analysis of ERP systems and their implementation, with a focus on the practical aspects of integrating functional departments.

8. Enterprise Resource Planning: Fundamentals of Design and Implementation" by V. Rajaraman and A. Sahay. This book provides a detailed overview of ERP systems, their design, and implementation, including the steps involved in integrating functional departments.

9. Implementing SAP ERP Sales & Distribution by Glynn C. Williams. This book provides a practical guide to implementing SAP ERP, including the integration of functional departments.
10. The Impact of Enterprise Resource Planning Systems on Firm and Business Process Performance by Shari L. Pfleeger and Joanne W. Yip. This article provides an analysis of the impact of ERP systems on firm performance and the benefits of integrating functional departments.
11. The below resources can provide students with a solid understanding of the different business models available for FMCG retail businesses and help them evaluate and recommend an appropriate business model for Maheshwari-PL Retail Business's organization based on their specific needs and goals.
12. The Business Model Canvas: Let Your Business Thrive with This Simple Model by Alexander Osterwalder and Yves Pigneur. This book provides a comprehensive overview of the Business Model Canvas, a tool that can be used to develop and evaluate different business models.
13. Retail Business Kit for Dummies" by Rick Segel. This book provides an overview of various business models that can be used in retail, including brick-and-mortar, online, hybrid, and franchise models.
14. The E-Commerce Book: Building the E-Empire" by Steffano Korper and Juanita Ellis. This book provides a detailed analysis of online retail business models and strategies.
15. The Franchise MBA: Mastering the 4 Essential Steps to Owning a Franchise by Nick Neonakis. This book provides an in-depth analysis of the franchise business model and the steps involved in establishing and managing a franchise.
16. The Subscription Model: A Scalable and Repeatable Business Model That Boosts Customer Retention and Lifetime Value" by Tien Tzuo and Gabe Weisert. This book provides an overview of the subscription business model and its benefits for customer retention and revenue growth.

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