



Innovation in Family Business: A Case of Agarwal Flour Mills

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Plagiarism: 2%

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Keywords: Family Business, GDP, SME sector, Poverty, Employment Generation, Positivism, Interpretivism, Critical Realism

Classification-JEL : M10, L26, O31.

How to Cite: Dwivedi, Raghvendra (2024). Innovation in Family Business: A Case of Agarwal Flour Mills. *Journal of Commerce and Trade* (H. Agarwal, Ed.) 19 (2), 56-59.
 doi:10.26703/JCT.v19i2-8

ABSTRACT

Every family in India is interested to provide higher and professional education to their children. For continuous focus on studies parents create pressure on their wards and therefore they keep away children with their parental or self established business. On the other hand children also feel that studies are more crucial than family business. They focused on the studies and achieve good marks and later a good job too. Now it happens in the life when they have to choose either as service person or to continue the family business and to become a job provider. As the Indian government is also focusing on the entrepreneurship development so it is also necessary for the youths that they should be in touch of their family business and they should use their professional skills and education to expand the business in today's scenario. It will help to reduce poverty, employment generation and contribution to SME sector consequently contribution to GDP. In this real case a youth is in dilemma whether he should continue with the current comfortable job which he gained after getting the degree of professional education or should continue the family business which was the base of the success of his and his family members life.

1. INTRODUCTION

This research explores intersections between family, business, and family business. The study characterizes the difference with the aim to clarify conceptual differences and their individual role in the society. While family refers to a social unit tied by emotional bonds, business represents a commercial activity driven by financial goals. Family business, however, is a unique combination of the two. Family businesses are uniquely positioned to balance the personal concerns with professional concerns and focuses on longevity and identity over quick profitability. This study provides a key difference that emphasizes on how each aspect is different and yet they complement each other. Factors such as governance, leadership, and the role of family values are explored.

Most of times it has been seen that several

times new age youths do not take interest in the family business and do not like run family business specially when they are well and professionally educated. They prefer job rather than running family business, after completing education and getting campus placement. However they forget that where they will work that is also a business enterprise. They are ready to serve there by will, with full zeal and utilize their knowledge and skills for the growth of organization. It is good and this the reason that Indian youths are accepted and appreciated everywhere in the world and in most of famous MNCs CEOs are Indian. The young generation is full with new innovative ideas, zeal, commitment and dedication. Several times it is called that "Indians are very good employees but not good employer".

There is need of time now that youths must focus on the family businesses too as their

growth is not a one day journey. Many generations have taken that business to great heights through their struggle, hard work, capital and efforts.

If there is any ancestor business, the new gen Z should keep on the priority rather than job else where after studies. Reason is the guidance which they can get from their parents and the inherent business skills they have learned since childhood through that business.

They should be job provider rather than a job seeker. As it take a long time to develop any business successfully, however it is easy to shut down. Earnings of directly and indirectly associated person also stop.

2. THE DILEMMA

In this case Mr. Rajeev Agrawal was also facing the same problem. He had a chance to continue his well settled and high earning old family business of supplying wheat flour supp, after the death of his father. He was on the chaos of decision making. Should he focus on the family business? The business established by his father and who earned a sufficient amount to run the family of 9 persons (His father, mother, 3 sisters and 2 brothers along with the grandparents) or he should pick a reputed job in a well known MNC after completing his education.

3. AIM OF THIS CASE

Aim of this case is to convey success story of innovation in family business of a youth, professionally qualified and already working in a MNC bank.

4. PROBLEM

Mr. Rajeev Agrawal got a MBA degree from a reputed university and also got campus placement in a MNC bank and the life on full swing.

One day he was shocked with the sudden demise of his father. Now he was facing a problem which is quite common in Indian scenario, i.e should he continue his job or continue the parental business of wheat flour. His father was

running a small scale business of wheat flour for last 34 years in Meerut. Mr. Rajeev is the elder son in his family, his younger brother Mr. Nilesh was in U.K after marriage with his family.

Now after death of Mr. Suresh his elder son Mr. Rajeev Agrawal was in a dilemma what he should do in this situation. He had been associated with his family business since childhood, therefore he was emotionally attached with this business and he was not in favour of closing his family business, however the sales was declining for last 3 years. His fiancé was in favour of closing of business.

5. SOLUTION

He decided to meet with his teacher Dr. Raghavendra Dwivedi for guidance. Dr. Dwivedi taught him subject management accounting and during the studies he was inspired him not only as a teacher but also as expert of field. He got an appointment with his teacher and discussed his problem.

After studying his business model Dr. Dwivedi was not in favour of shutting down the business as it is very difficult to set and run a business. His father was supplying wheat flour in to big jute bags on the shops in slum area (in the packing of 50 KG). The business was yielding profits too however due to sickness of father of Mr. Rajeev for last three years the profits were on decline. Therefore he suggested to Rajeev to make changes in the packing size and delivery method. He advised him to pack wheat flour in poly bags with its brand in ½ kg, 1 Kg and 5 Kg. packing as his final customers are low quantity purchaser.

Dr. Dwivedi also advised him that closure of any business is easy but establishment is not so easy. He should use his skills and professional knowledge to revive his father's business. He should take a chance for the rejuvenation of business with a new zeal and innovations keeping in view the changing scenario of market and customers.

6. INNOVATION AND IMPLEMENTATION

Mr. Rajeev decided to continue his parental business. He had a sufficient funds

which he saved during his service tenure of last six years. He implemented the advice of his teacher.

He started to deliver flour in poly bags in ½ kg, 1 Kg and 5 Kgs. packing as his final customers were low quantity purchaser.

This new innovation rejuvenated his declining sales within next ten months as no other competitor was providing in such small packaging. Later he added another product in his current business and that was mustered oil. As a innovation he started supply of mustered oil in the packing of 100 ml, 250 ml, 500 ml and 1000 ml.

This new innovation idea also become hit because now small quantity of packaged mustered oil was available to consumers who purchase small quantity frequently for kitchen purposes.

7. THE SUCCESS

With in next two years the scenario has been changed, now Mr. Rajeev Agrawal has 29 employees and earning more than double his salary which he was getting in bank. He is expanding his business continuously keeping in view the preferences of customers.

Recently he has started supply in the urban areas too, not only the wheat flour but also the gram flour, besan and the flour of different seasonal millets.

This new innovation ideas also become hit because now small quantity of packaged mustered oil was available to consumers who purchase small quantity frequently for daily life as they can not afford big quantity as they earn daily and make expenses daily.

8. CONCLUSION

The problem of Mr. Rajeev Agrawal was not inherent up to him but also a common problem of Indian youths now a days, with reference to their family business. Innovations are vital for any business. New ideas in the light of education and experience are key of success to boost family business. Youths should realize that they can provide new heights to their family business by using their zeal, courage, education and knowledge. Hope this success story of case will motivate and inspire them for continuing their ancestral business with new ideas and innovations. ■

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