

# ”HURDLES NEED TO BE CLEAR FOR ACHIEVING GREAT PROFITABILITY”

## [A STUDY SPECIALISED IN KP NAMBOODIRI’S AYURVEDIC PRODUCTS]

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### ABSTRACT

*Profitability is inherently linked to a company’s capital spending decisions- that is management effectiveness at investing in projects the add value .And now in this competing world there is emerging trends in business to increasing profitability. I try to find out effects of emerging trends in making profitability with special reference to KP NAMBOODIRI’S AYURVEDIC PRODUCTS. I select the method adopted for this study consist of interview and printed documents from annual reports etc, and also used simple average method for the data analysis. In this study I observe that the emerging trends in making profitability is widely influence the KP NAMBOODIRI’S AYURVEDIC PRODUCTS. Thus, the company make more turnover and goodwill also.*

### INTRODUCTION

On this marketing world, the world just reform as markets, and such markets cover the people within its jurisdiction. Many strategies are using to better the market which capable to control the whole universe. And through this each company who offered diverse products make huge amount of profit. And significantly over the past 5years overall profitability in emerging stocks has declined. And this is an important time to understand the diverse of company profitability. Through profits or proper return on investments only each company can move on. For this each of them try different strategies time to time. If there is proper return on equity it will lead to emerging and developed markets. So the profit should add to the company’s inflow time to time. Importantly, profitability is inherently linked to a company’s capital spending decisions- that is management’s effectiveness at investing in projects that add value. Each firm is try to better and make unique products which offered to market by using tactful strategies and through make profit.

### EMERGING TRENDS IN MAKING PROFITABILITY

Profitability in emerging markets equities has been on a downward trend over the last five years. Importantly, corporate investments decisions are inherently, linked to profitability. Companies in US have been particularly aggressive in undertaking large buyback programmes on the back of record high profit margins and exceptionally low financing costs. Company profitability is conceptually tied to the effectiveness of management’s capital allocation decisions.

Increasing profit is a greatest task to each firm with in the calculated time period. And so should focus on each and every step to take. For most small business, the easiest way to increase profitability is to reduce cost. Reducing direct costs can dramatically increase the profit on each sale, and eliminating unnecessary business overheads can have an immediate pleasing impact on your bottom line. The best way to improve profitability is to increase turn over as there is no limit to sales, but there is a limit on reducing costs. Focusing management awareness on profitability can have a dramatic impact. Even if cash flow is top priority, this should not be at the expense of profitability. Shortly making profit or great turnover is exactly the ultimate or common goal of each and every firm. Because through proper turnover only each can move on.

### REVIEW LITERATURE

\_In the study of Robert M Grant, A P Jamming , H Thomas and also in the study of E W T Nagai on topics related to profitability they try to said that,

Diversity and profitability were positively related up to a point; after that point, increases in product diversity were associated despite the importance of data mining techniques to customer relationship management (CRM), there is a lack of a comprehensive literature review and a classification scheme for it. This is the first identifiable academic literature review of the application of data mining techniques to CRM. It provides an academic database of literature between the periods of 2000–2006 covering 24 journals and proposes a classification scheme to classify the articles. Nine hundred articles were identified and reviewed for their direct relevance to applying data mining techniques to CRM. Eighty-seven articles were subsequently selected, reviewed and classified.

### OBJECTIVES OF THE STUDY

The objectives of the study, therefore, the emerging trends in business to make profit and its effectiveness in KP NAMBOODIRI'S AYURVEDIC PRODUCTS. Findings from this study may help in

- To find what are the emerging trends in increasing profitability.
- To find how effectively the KP NAMBOODIRI'S AYURVEDICS PRODUCS use techniques to making profit.
- How product differentiation act as a catalyst to increasing.
- What are the necessary steps to take to increase profitability?

### METHODOLOGY

The method adopted for this study consists of face to face interview with company officials. And I collected secondary data from printed documents like annual reports. The details of profitability have been done by the means of analysis relevant funds in the formulation from of the financial statement.

### SOURCE OF INFORMATION

In this study, I use primary data for the analysis of strength and weakness of information is used for this purpose, including conducting a discussion with manager, staffs and salesman etc...And also used secondary data are received from the various register, newspaper, other journal financial statements of the company etc..

Data analysis method I used was simple average method used for the data analysis.

### DATA COLLECTION TOOLS

By using a questionnaire and interview scheduled I collected primary data.

### NATURE OF QUESTIONS ASKED

Close ended, rating and ranking questions were included in questionnaire.

### PRESENTATION OF DATA

The data are presented through chart and table the number of tables is restricted to make the report readable chart are given were ever necessary to highlight some aspects of data.

### HISTORY OF KP NAMBOODIRI'S AYURVEDIC PRODUCTS

KP NAMBOODIRI'S AYURVEDIC PRODUCTS are fast growing company based in Thrissur district of Kerala state. Being one of the most popular products of KP NAMBOODIRI'S, DANTACHAVANACHOORNAM trades it's beginning to some eight decades back. It was from a former royal family founder K Pothayan Namboodiri obtained the unique Ayurvedic formulation, which paved way for the formation of this great product. After his demise in 1957, K Raman Namboodiri his second son steered the company and established the business in the whole of Kerala by competing with multi nationals. Sir K Bhavadasan, the third generation of the family had to take over the company in the year 2000 in his early thirties

### THINGS ACT AS CATALYSTS TO INCREASE PROFITABILITY

Some catalysts are there to increase profitability those are following here,

- To increase sales revenue

For this different acts can be done like increase productivity of staffs, develop new product lines, find new markets customers, find new markets, customer service, increase prices, price discounts, retail displays etc.

- To decrease costs

By decreasing cost of production can be maximise the profitability. For this different acts can be done, like decrease inventory, decrease direct cost, decrease indirect costs, decrease overheads, benchmark key financials etc.

- Product differentiation

Product differentiation is now acted as a best catalyst to increase profitability. Different companies choose this method to improve their turnover.

- The value of good systems

Good systems will help to minimise errors, and reduce time and money. By introducing systematic procedures and methods will help to reduce costs.

- Keep focused

Focusing management awareness on profitability can have a dramatic impact. Even if cash flow has top priority, this should not be at the expense of profitability.

- Team work

By using team work each employee can work easily and also can achieve the goal. The team work will always reduce the stress.

- Apply lessons business wide

Set up systems that encourage the communication of best practice in business. For instance, benchmarking different parts of the business against each other can be a useful way of sharing best practice.

### 10 WAYS TO CUT COSTS AND IMPROVE BOTTOM LINE

- Reimburse employees for mileage.
- Use virtual communication.
- Drop ship products straight from vendor.
- Provide insurance allowances o employees.
- Do more networking and less paid advertising.
- Buy a building with extra room that can lease out.
- Use sub contractors if only need part-time help.
- Use technology like go to meeting.com.
- Develop payment agreement with customers.
- Shop around for business insurance coverage.

**KP NAMBOODIRI’S AYURVEDIC PRODUCTS-EFFECTIVENESS AND PRODUCT LIST**

KP Namboodiri’s Ayurvedic products is best example for my study that emerging techniques in increasing profitability. The above ways and steps are taken by them to increase their profitability. And the best way choose by them is product differentiation. And the simple list of their products are given below,

- KP NAMBOODIRI’S ALOE VERA HERBAL TOOTH PASTE
- KP NAMBOODIRI’S HERBAL FRESH MOUTH WASH
- KP NAMBOODIRI’S NATURAL SALT TOOTHPASTE
- KP NAMBOODIRI’S HERBAL TOOTHPASTE
- KP NAMBOODIRI’S AYURVEDIC GEL TOOTHPASTE
- KP NAMBOODIRI’S AYURVEDIC TOOTHPOWDER
- KP NAMBOODIRI’S CHEMPARATHY TAALI
- KP NAMBOODIRI’S HAIR CARE OIL
- KP NAMBOODIRI’S HAIR CARE SHAMPOO
- KP NAMBOODIRI’S ANTI DANDUFF SHAMPOO
- KP NAMBOODIRI’S TURMERIC FAIRNESS CREAM
- AEDA GLYCERINE BATHING BAR
- AEDA SANDAL SOAP
- AEDA TURMERIC SOAP
- AEDA RAMACHAM SOAP
- AEDA HERBAL SOAP
- DHAHAMUKTHI
- KP NAMBOODIRI’S PATHIMUGHAM
- BHASMA

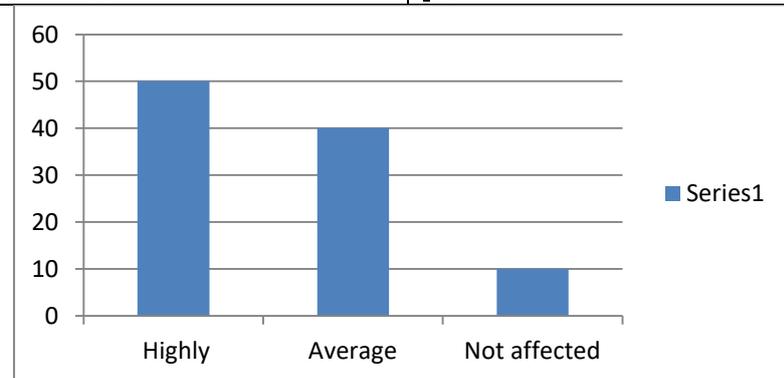
**ANALYSIS AND INTERPRETATION OF DATA**

The major areas which can be used for studying the effectiveness of techniques used for increasing profitability,

- 1) By increasing sales revenue.
- 2) Product differentiation.
- 3) Value good system.
- 4) Keep focused.
- 5) Team work.
- 6) Apply business worldwide.

**1) INCREASING SALES REVENUE**

<u>Highly</u>	<u>Average</u>	<u>Not affected</u>
50	40	10

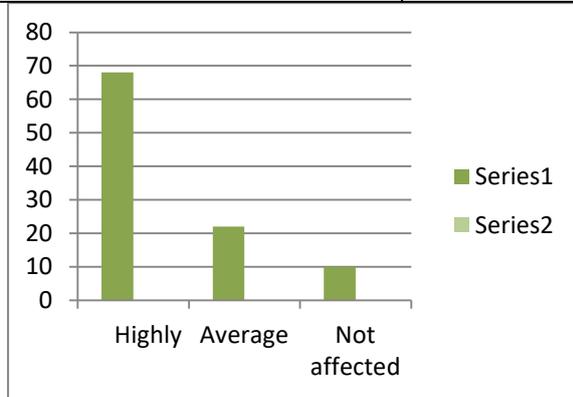


Interpretation

50% of company officials agree that increasing sales revenue highly act as catalysts to make profitability. And 10% said not affected and 40% of them agree that it has average effect.

2) PRODUCT DIFFERENTIATION

Highly	Average	Not affected
68	22	10

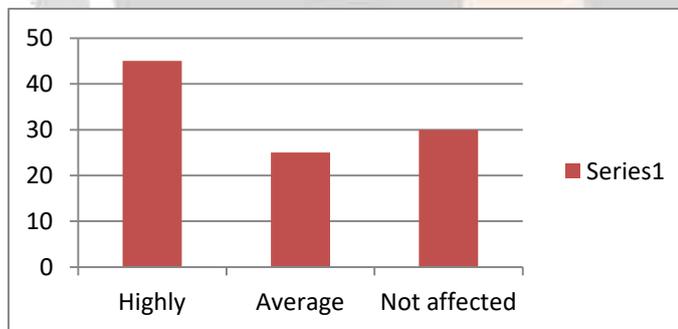


Interpretation

68% of company officials agree that product differentiation is highly affect profitability and 22% of them said average affect it has and 10% said that it has no effect.

3) VALUE GOOD SYSTEMS

Highly	Average	Not affected
45	25	30

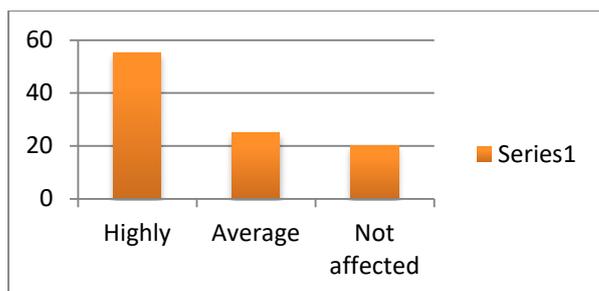


Interpretation

45% of company officials agree that value good system highly affect the profitability. And 25% of them said that it has average affect and 30% of them said that it has no effect.

4) KEEP FOCUSED

Highly	Average	Not affected
55	25	20

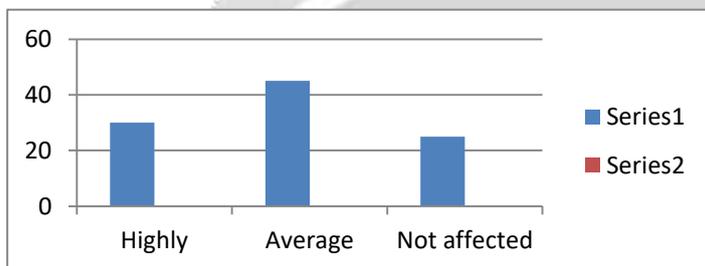


Interpretation

55% of company officials agree that keep focus highly effect in making profitability. And 25% of them said it has average effect in it and 20% of them said that it has no effect in it.

5) TEAM WORK

Highly	Average	Not affected
30	45	25

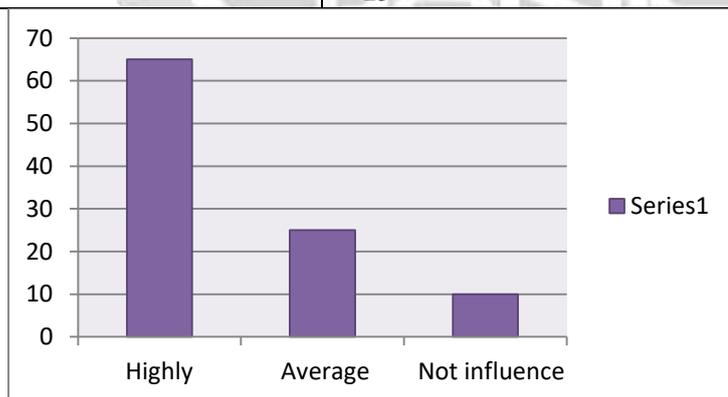


Interpretation

30% of company officials agree that teamwork has high effect in profitability. And 45% of them said that it has average effect in it and 25% of them said that it has no effect.

6) APPLY BUSINESS WORLD WIDE

Highly	Average	Not influence
65	25	10



Interpretation

65% of company officials agree that apply business world wide has high effect in profitability. And 25% of them said that it has average effect and 10% of them said that it has no effect in it.

FINDINGS

- There are different emerging trends in increasing profitability.
- The firm uses those effective strategies to increasing profitability.
- Product differentiation act as a very good catalyst in making profitability.
- There are 10 important steps to take to increase profitability.

#### SUGGESTIONS

1. The firm can take more effective strategies to make profitability.
2. The firm can concentrate in diversification of the product line.
3. The firm can also widen the concept of them to international level some more.
4. The modern widely used different packaging techniques can be used by the firm.

#### CONCLUSION

Profitability is the most big question in front of each company to sustain or survive in this marketing world. And so, this is an important time to understand the diverse of company profitability. If there is proper return on equity it will lead to emerging and developed markets. Importantly, profitability is inherently linked to a company's capital spending decisions that is management's effectiveness at investing in projects that add value. For that each firm is try to better and make unique products which offered to market by using tactful strategies and through make profit.

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