

# **An Empirical Study on Strategy Implementation of SME in VUCA: A Case of Health Care & Wellness Start Up**

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**Abstract:** Small and Medium Enterprises (SME's) plays a most important part in the socio-economic growth of the country. Though, SME's sector has consistently registered higher growth rate compared to the overall industrial sector, but then also they have been facing great challenges in the era of liberalization and Globalisation as well in today's VUCA environment. SMEs are expected to a VUCA calamity in the market place than larger firms that hold the ability to soak up more shock. The Present study explores the problem of a Small enterprise Dr. Ratna's The Edit Clinic a top obesity, hair & skin clinic in a prime locality in Pune and provide planned solution to it in relation to the changing market environment. Research presents a future-ready viable roadmap to nurture The Edit Clinic business by 10X in next 2 years. An apparent business focus was established which is exact for the founder's inspiration, ability, and experience. Clearly recognized competitors and effective competitive strategy was provided. Digital 4.0 technology enabled roadmap for business growth and transformation.

**Keywords:** SME, VUCA, Strategy, Business Plan, SWOT Analysis

## **Introduction**

Small and Medium Enterprises (SME's) plays a most important part in the socio-economic growth of the country. There are just about 26 million MSME units in India, of which 13 million are SMEs. SMEs put in nearly 45% (**Consultancy.in 2017**) share of manufactured output, accounting for 40% in overall exports of the country and providing employment to about 32 million people. The performance of SMEs in India though notable comes next to China where this sector provides service to 94 million people with a network of 37 million units (**Consultancy.in 2017**). India has recorded a high economic growth (6-9%) (**Consultancy.in 2017**) constantly over the last one decade. Though, SME's sector has consistently registered higher growth rate compared to the overall industrial sector, but then also they have been facing great challenges in the era of liberalization and Globalisation as well in today's VUCA environment. SMEs are expected to a VUCA calamity in the marketplace than larger firms that hold the ability to soak up more shock. The SME's have continuously updated themselves to meet these emerging challenges due to changes in technology, demand patterns and the varying market conditions of volatility, uncertainty, complexity, and ambiguity or VUCA. For the sustainability in this atmosphere and for proper development promotion of SME sector is imperative. The

need of the hour is to give power to the SME Sector so that it is able to take its fair place as the growth engine of the economy.

### **Objectives of the Study**

The present study has been undertaken with an objective to analyze current strategic position of SME in Pune using SWOT analysis and to provide strategic solution in reference to Business Strategy, Marketing Strategy, Technology Strategy, and Financial Planning.

### **Literature Review**

Review of Literature had been undertaken to have a glance into the research work already carried out in the area of SME. Lot of research work had been done by the research scholars, experts and economists and they have identified that SME's are facing many challenges due to changing social, technological economic, cultural and political perspective in the country. Most literature uses case studies of big firms. As SMEs live on and extent management must also still be concerned about how to hold up a VUCA calamity impacting the firm's business model and value proposition.

**Patil & Chaudhari (2014)** says that growth of SME's had increased from year by year with an average number of registered units in SME sector but he also identified small scale sector problems as relating to manpower, lack of credit assistance, organized marketing, inadequate infrastructure, competition, poor planning, managerial skills, transportation facilities, lack of power, lack of ware housing facilities, lack of information etc.

**Mwobobia (2012)** added in his research that challenges faced by SME's are their inability to access to finance, manifold responsibilities taken by women, poor justice, lack of education, competition, lack of planning, lack of management skills etc.

**Garg & Walia (2012)** commented that Small Scale Industries (SSI) is facing numerous problems relating to obtain credit, identifying technology, industrial training, quality control etc. SSI's also are confront several difficulty from large and medium enterprises in aspects of production and marketing.

**Aruna (2015)** found that MSME are facing problems relating to timely banking finance facilities, availability of suitable technology, marketing problems, availability of limited resources, lack of skilled manpower etc. Her study identified that financial constraints and also issues relating to power and non-availability of skilled manpower, raw material etc.

We can see that from the review that SSI are prone to problems and there are myriad of challenges faced through the external as well internal business environment. On other hand there are opportunities also which help them to grow.

**Garg (2014)** talked about that many opportunities for SME's development in India. He argued that a lot of opportunities from external environment are provided to SME's in form of finance and subsidies provided by government, credit & finance, competitive technology, skill development, national manufacturing competitive programs, export promotion and infrastructure development etc. There are several programs by government like cluster development, credit schemes, entrepreneurship development programs, etc. Researchers also commented about how SME's should face challenges and keep pace with changing environment.

**Mathai (2015)** had given some suggestions in like implementing training and development programs, awareness programs, and research and development programs for SMEs to keep abreast in changing environment.

**Tripathi (2016)** He concluded that the government should implement some schemes for encouraging SME's.

The literature reviews undertaken for the study are mainly focusing on the problems and challenges faced by the SME and with some of the article talking about the solution needs to be given on individual firms. From above we can say that research gap is there in practically dealing the problems and challenges of SME.

## Research Methodology

The Research study is descriptive in nature. The SME identified for the purpose of research is **Dr. Ratna's - The Edit Clinic** which is a healthcare and Wellness start up in Viman Nagar. The Data analysis is represented in the form of Case study. To develop case study primary data has been collected through intensive face to face personal interviews, participant observations and brainstorming session with the management of the SME. To support the research secondary data has been collected through research papers, market research reports, online global databases etc. SWOT analysis is done to understand the current strategic position of **Dr. Ratna's - The Edit Clinic**. Data has been collected through primary sources by taking interview sessions as (table 1) follows:

<b>Session 1</b>	Discovery session and strategic focus
<b>Session 2</b>	Strategic focus and customer segmentation

<b>Session 3</b>	Customer profile deep dive
<b>Session 4</b>	Customer value proposition
<b>Session 5</b>	Products/Service features deep dive
<b>Session 6</b>	Competitive Analysis
<b>Session 7</b>	Partnerships details
<b>Session 8</b>	Financial model, Market size, Product mix Finalization, financial model
<b>Session 9</b>	Customer and Business model validation
<b>Session 10</b>	Marketing plan

*Source: Self*

### **Case Analysis: Dr. Ratna - The Edit Clinic**

Dr. Ratna's the Edit Clinic is located in Viman Nagar, Pune. It is a start up in the health care and wellness category. It was established in October 2017. Clinic was started by Dr. Ratna with a vision to provide consultation and treatment services in skin care, weight loss, dietitians, beauty Solutions like Hair Removal, Anti-Ageing, Hair Treatment, Laser Hair Treatment, and Ayurveda for Acne Treatment. This establishment which acts as a one-stop destination serving both local and outside Pune customers. Clinic believes that customer satisfaction is as important as their products and services have helped this start up to establish its name in the market. This business employs individuals that are committed towards their individual roles and lay in a lot of effort to attain the common vision and bigger goals of the company. In the near future, this business aims to increase its line of products and services and furnish to a larger client base.

After discussion with the management through interview sessions it was identified that clinic being a startup was not really perform well and was finding difficult to establish itself in the market. It was not having brand name in the wellness market due to which customers footfall was not there. On the whole Clinic was facing issues related to overall management of the organization.

To solve the problem and for suggesting the strategic focus to the organization SWOT Analysis was undertaken. SWOT analysis as one of the most important tool to understand the current strategic position of the company in respect to the internal as well as the external environment. Below (table 2) depicts the Analysis of strength, weakness, opportunities and threat.

**Table 2: Swot Analysis of The Edit Clinic**

<p>Strengths</p> <ul style="list-style-type: none"> <li>• The edit clinic differentiated offerings in terms of price to customer ranging from low to premium</li> <li>• Diversified products for treatment catering to different customers need.</li> <li>• Products are house made which are natural.</li> <li>• Clinic is situated in prime location</li> <li>• The edit clinic has a strong management team with a well-defined vision</li> <li>• Well-equipped and furnished clinic</li> </ul>	<p>Weaknesses</p> <ul style="list-style-type: none"> <li>• Inability to achieve economies of scale</li> <li>• Current cost structure which needs improvement</li> <li>• Unable to retain employees</li> <li>• Poor marketing promotions</li> </ul>
<p>Opportunities</p> <ul style="list-style-type: none"> <li>• The evolution of ecommerce presents new distribution channels</li> <li>• Online service app to remote consultation</li> <li>• The fragmented market provides opportunity for growth</li> <li>• Emergence for pre adult customers for treatment</li> <li>• Access to international markets</li> </ul>	<p>Threats</p> <ul style="list-style-type: none"> <li>• Low switching cost of consumers</li> <li>• Intense rivalry in the market</li> <li>• Competition from other local as well as multinational</li> <li>• Economic slowdown</li> <li>• Change in government policies</li> </ul>

Source: Self

### Data Analysis : Strategic Focus & Plan

In this table long-term Business milestones are described and to achieve these milestones required strategies are mentioned. Table 3 shows the strategic focus & Plan.

**Table 3: Strategic Focus & Plan Proposed to The Edit Clinic**

Business Milestones	Business Strategy	Marketing Strategy	Technology Strategy	Financial Planning
<b>Identity</b>	Establish Identity	Create static website with basic services information	Book domain name	Cost Approx. 25k one time

<b>(2 weeks)</b>	Establish New Business Name and Logo		Google My Business entry, Google Map	
<b>Basic Presence</b>	Initialize Offline/ Online Business Presence	New signage- building, on main road	Buffer based scheduled posting to all channels	Revenue from BNI customers
<b>(4 weeks)</b>	Establish Digital Presence	Initialize - Facebook, LinkedIn, Instagram, Twitter Channels	Schedule 3 posts per week for each channel	Existing Customers revenue, basic treatments
		Practo Entry	Call to Action Buttons on Facebook/Website	
		Google My business photos, internal, external, customers etc.		
		Create content to establish basic presence (4-5 entries highlighting new business focus, new services)		
	Offline branding/ signage's	Stationary and brochures		
		Clinic and Road signage's		
		Start talking with existing customers about new services, Care programs and test response.		
<b>Reach Out</b>	Reach out to Customer Segments with specific Value Propositions- 6 services, multiple value props	Complete creative for 6 services for all channels.	Evaluate of OPD appointments can be moved to Practo, or PHP plugin on website	
<b>(2-6 months)</b>		Testimonials for each service- schedule campaign 1 per week	Email/Whatsapp/ SMS campaign tools setup – Mail chimp	
		Facebook Groups campaign, blog, success stories etc.	Tools to measure social media Impact	

		Evaluate Google Ads and Facebook Ads	Feedback management tool/ system (Practo/ Google?)	Leads from campaigns start coming in
		Yellow pages - Justdial, Sulekha ads :evaluate	Simple Lead Management System like Zoho CRM	
		Leaflets/Standees In premium shops	Detailed Social Engagement Metrics, Lead conversion reports	
		BNI based marketing efforts, Increase in footfall (ongoing today)- 3000 BNI members in Pune regions		
	Establish Partnerships	List of potential hospital (10), GPs (20) & other partners (at least total 30)	Clinic Management System pilot	
		Presentations for Hospitals, GPs	Establish standard processes in operations	
		Hospital Partnership format	Use CMS/ HMS for OPD appointments, test records, case papers	
		GP partnership format	**Feature set of CMS on next tab	
		Corporate sessions	**Milestones within this stage to be added	
		BNI pain mgmt. and other power team collaboration across India. ASSISTED Remote consultation		
<b>Expansion</b>	Geographical Expansion	Select 3 cities, remote consultation campaigns	Tryout Zoom, Skype based remote consultation, finalize tool for follow-ups in cities like Kolhapur etc.	

(1-2 year)	Remote Consultation		Lifestyle Improvement App:	
			**Feature set for app on next sheet	
		MR engagement for signing up new partners and managing relations	**Milestones within this stage to be added	
	Expand Partnerships	5 hospitals beyond Pune		
		20 GPs/doctors beyond Pune		

Source: Self

## Technology Strategy

In technology strategy Clinic Management system and lifestyle app was recommended. In the below (table 4) features required for app and system are mentioned.

**Table 4: Interface for Clinic Management and Life style APP**

Technology Strategy- Deep Dive	Lifestyle Improvement App
CMS/HMS Feature Set and package comparison	Major Features
Major Features	Diet Planning
OPD Appointment Management	Diet Tracking with Indian traditional foods
OPD Queue Management	Activity Planning & Tracking
Patient Database	Map My Run; log Gym exercises, device synch (iPhone, fit bit, smart watch etc.)
Patient Case Papers	Alarms and Reminders for Water intake
Patient Test Results documentation	Sleep monitoring
Room and Equipment booking calendar	Document test results (integrated with CMS)
Billing/Invoicing: OPD, Care Programs, Medicine Retail etc.	Weekly Review by doctor
Financial Reporting	Offline remote consultation- ask a question
Patient Self Service and Reminders	Complete CMS integration, privacy protection
Referral documentation	AI based lifestyle correction suggestions
Diagnostic Support System, Knowledge Base	**Add comparison of various apps currently available
AI based diagnostic options	Knowledge about health, customized, blogs entries etc.
	Feedback

Source: Self



**Table 5: Long Run Expansion Plan**

Partnership Detail				
Partner Type	Problems	Why Partners needs The Edit?	Why the Edit needs partner?	Partner Names
<b>IVF</b> focus on mid-size or start-ups away from Viman nagar	Obesity is the factor that leads to decreased success with IVF Falling pregnant can be more difficult for women who are overweight	BMI should be demonstrated Obese patient needs different treatment than normal weighted person Patient will not refer any other Dr for the treatment Referral Fees (10%)	If the patient needs IVF treatment they will be referred to IVF partner directly Reach to customers in viman nagar and nearest areas Referral Fees (10%)	PEARL Women Hospital & Yash IVF Center Pune (Deccan) Chaitanya Ganpule (Rachhit) Pune fertility Center (Shiaji Nagar) Indira IVF (Viman nagar) Xenith advanced fertility centre (Wakad) Solo clinic (Sassoon road)
<b>General Practioners</b> (Doctor's Associations & Friends- #30 across Pune)	Diabetes mellitus and heart disease problem maternity obesity GP's don't have time to talk about obesity	Patient will get immediate reference for their treatment Diet plan guidance will be given through reference (20% referral fee)	Patients those who come for treatment they get reference for general problems also (20% referral fee)	-VCK-DA (Viman nagar etc.) -Y-DA (Yerwada) -PSRDA (Pune Sinhad Road) -Prakashit clinic (kothrud ideal colony) - Dr. Govind nerlekar (Baner)
<b>Hospitals</b>  (~100 bed new, away from viman nagar, #10 nos)	All problems which can be treated by The Edit. But Diagnosed by hospital but not treated in hospital.	The reach to the Viman Nagar city through referral (20% referral fee)	They will get the extensive reach to no of patients in different cities though (20% referral fee)	-Medical Distributor - Gayatri Shelke (Achievers) Hospital Owner - Parag Ainchvar -Nova EV partnership discussion -Indira IVI -Nobel Hospital -Sayhadri Hospital

<b>Beauticians</b>	Obesity affects skin and hair as well	Along with beauty treatment customer will get appropriate diet and guidance to lose weight	<ul style="list-style-type: none"> <li>• To be brides can approach for consultation</li> <li>• Along with obesity hair and skin treatment will be provided</li> </ul> Referral Fees (10%)	<ul style="list-style-type: none"> <li>• Apple salon (many branches across city)</li> <li>• Vogue hair salon and spa (Baner)</li> <li>• NJ's lounge (MG road)</li> <li>• Lakme salon (Koregaon park)</li> <li>• BNI-Nayana</li> </ul>
<b>BNI</b>		<ul style="list-style-type: none"> <li>• For lectures or sessions</li> <li>• Cross reference</li> <li>• Expansion</li> </ul>	<ul style="list-style-type: none"> <li>• any cross reference for corporate or any business</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Corporate</b> Firefighting – Suraj Rajput</li> <li>• Events Management - Sachin Choudhari</li> </ul>
<b>Gyms</b>	Only exercise won't help patient to lose weight so they need proper diet and medication	<ul style="list-style-type: none"> <li>• for any skin or hair related problem they can recommend them to doctor (10% referral fee)</li> </ul>	<ul style="list-style-type: none"> <li>• to continue healthy living patient needs exercise so they will recommend gym</li> </ul>	<ul style="list-style-type: none"> <li>• Gold's gym</li> <li>• Multifit gym</li> </ul>
<b>Schools</b>	Needs knowledge regarding health and diet related stuff	<ul style="list-style-type: none"> <li>• Any participants who wants treatment will be referred to her</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion through the lectures</li> </ul>	<ul style="list-style-type: none"> <li>• Victoria Kids</li> </ul>

Source: Self

## Conclusion

SME like The Edit clinic during their start up face number of challenges in establishing and running an enterprise, such as marketing, raw material, manpower, finance, power, machinery, and the most important the change that are occur due to uncertainty and volatility, ambiguity in the environment. To gear up with these challenges organizations must have a strong strategic plan to sustain in the market they should be proactive to deal with any kind of situation. SME Edit now have very strong strategic plan and business model as suggested which includes online consultations, establishing partnership, and proper segmentation which would help business to grow exponentially. Step by Step implementation of plan stringently would lead to reach market and face the challenges.

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