

## ***Balaji Wafers- Deciding the correct recruitment strategy- Part A***

### **Preface:**

The present case is an excerpt of a full fledged case study. The current part deals with understanding the concept of lean recruitment strategy and difficulties experienced by companies which make an attempt of growing from regional to national level brands.

**Case Type:** Conversational.  
**Case Suitability:** Management Students of Semester 1 & 2.  
**Case Assessment:** Task Based, Open ended.

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2017 was the greatest year for Balaji Wafers in terms of expanding the business. The company had already earned great amount of reputation and profit through its expanded horizon all over the state of Gujarat, Maharashtra and Rajasthan and in the year of 2017, it finally eyed to go nation wide.

The company even became a co-sponsor in the filmfare awards in the year 2017 and tied up with Ayushman Khurrana as an endorser. The company was eyeing on to be a full fledged national player in the market of chips and related products and it even knew the fierce competition that it will face from international player.

*“Yes it is a bit of a challenge but I am sure we can beat them as we have beaten already in the markets of Gujarat”*, said Mr. Chandubhai Virani (Managing Director- Balaji wafers).

### **Strength of Balaji Wafers:**

Balaji’s core strength has always been the sales employees, robustness of its supply chain and dealer network. The company, since its inception has focused on creating trusted relationships with its dealers and channel partners. *“I would rather earn 50 paisa less in order to let my channel earn 1 rupee more”*, was a famous quote of Chandubhai, when he was taking up this herculean task of setting a dealer network in Gujarat in the early days of the company.

The company has always given the best margin to the whole-sellers and retailers in order to achieve a brand visibility in the rural and semi urban markets of Gujarat. The company extends financial and asset support to the stockiest of different territories.

The supply chain model of the organization is simple and leaner. The company had divided the Gujarat market into 4 territories, namely Rajkot, Ahmedabad, Surat and Patan. The company had warehouses in all these 4 towns which will look after the smaller towns near to their vicinity. The manufacturing plant is situated in Rajkot. The finished goods will be transported through trucks to the territorial warehouses and then from those warehouses, the stocks will be loaded in smaller trucks to city dealers, who would then load the stocks into small rickshaws(owned by the dealers). These rickshaws will keep roaming to different retailers in the town and the rural areas near the town, delivering the products to the retailers.

This was a tried and tested model which ran smoothly for a long period of time with Balaji Wafers and the company thought of magnifying it in the National model too.

The most important strength of Balaji Wafers was its sales personnel. The basic job of the sales personnel was dealer servicing, dealer appointment and relationship management. The initial sales team has done wonders because of their command over the local culture, understanding of the nerves of the dealers and customers.

*“They may not be MBAs but they certainly know how to build trusted relationships and through those relationships, sales just flow”,* said once, Mr. Arvind Shukal (National Sales Manager).

**Scenario:Month: April 2018 Place: Office of the NSM, Mr Arvind Shukal**

As, Mrs Pashmina Trivedi (HR Manager), entered the NSM office, she found Arvind sitting sunk in his seat and deeply thinking. Pashmina: *“Am I here on the wrong time or we can still continue with our meeting”* Arvind: *“No that’s perfectly all right, I was just thinking what has happened to this damn sales figures which are continuously falling each quarter.”*

At the same time Mr Govind Harwani (Production manager) entered furiously in the room. Govind: *“Arvind, you better start selling the stuff, my warehouses are full of stock and I am being told to produce on optimum capacity. What do I do?”* Arvind: *“Govind, I am trying my best, I have given the best incentive scheme to my sales force, also we are providing the best salary in the industry but still nothing is happening. I think, the problem is with the employees itself. Pashmina, you have not recruited the right people.”*

Pashmina: *“Excuse me, we have hired the employees from the best B schools of region, if u cannot motivate them, what do I do?.”*

It was evident that the geographic expansion is not as beautiful as it looked once and the recruitment strategy of recruiting employees from best B schools has clearly backfired.

### **Scenario:**

#### **Month: August 2018, Place: Board Room**

As everyone was settling in, Chandubhai Virani enters the room with a calmness on his face but a little agitated. Chandubhai: *“So lets start with the bad news first. Our Southern Maharashtra sales is not picking up and whatever dealers we had already made are also asking for their deposits back, claiming that no one is purchasing the product. No one is knowing about us there, Arvind, what is your team doing?”*.

Arvind: *“I will have to make some strict decisions now. These B school graduates are just not helping. Well, I also think that the branding team needs to be consulted too.”*

As every started gazing to Sunil Bhadra (Head – Communications & Public relations), Sunil started gathering his words.

Sunil: *“Well, Let me say that as far as branding is concerned, me and my team are working in sync with the corporate strategy along with the budget constraints. We got a celebrity on board, we are doing outdoor publicity and by the way, all other departments have recruited new people, I am working with the same team still.”*

Chandubhai was clearly agitated now with this blame game passing around. He sunk back in his seat, with decisive expressions on his face.

Chandubhai: *“Well, our differentiation factor has always been how much trust we create with our channel partners isn't it?”* Everyone nodded. *“Well then I think we should stick to do something which we have been doing over the years. Let us just go with the tried and tested formula. Let us make a sales team which can connect to the rural area dealers, which understand them, their needs, which knows our core competencies and are local enough to build trust with these local channel partners”*

Chandubhai: *“Arvind I guess its not the employees, it's the mismatch between what we want and what is getting recruited”*. Pashmina intervenes in this juncture *“Sir I have tried my best to recruit best of the minds”*

Chandubhai: *“Let us make a proper recruitment strategy, let us just understand what are our strengths and accordingly define what competencies do we need in our sales employees”.*

Tasks:

- 1) Given the strengths of Balaji Wafers, mentioned in the case, kindly write an optimum competency list of the sales employees.
  - 2) Draft a Job Description and Job Specification as per the need of the company.
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