

# SUCCESS STORY OF MAHAAN FOODS



**Brand:** Mehta Solutions

**Product Code:** case89

**Weight:** 0.00kg

**Price:** Rs500

## Short Description

### SUCCESS STORY OF MAHAAN FOODS

## Description

### SUCCESS STORY OF MAHAAN FOODS CAST STUDY solution

**Read the case given below and answer the questions given at the end of the case :**

SUCCESS STORY OF MAHAAN FOODS Mahaan Foods was started with just Z 1.79 crores. This company is run by father and son, Mr. A.N. Goyal and Rajiv Goyal. They make pickles, chutney, cooking pastes and ketchup at its factories in Himachal Pradesh and Uttar Pradesh. Mr. A.N. Goyal handles R & D, which is key function in the company, and son Mr. Rajiv Goyal is responsible for strategy. Mr. A.N. Goyal after graduating as a mechanical engineer in 1955 from Jadavpur University, joined the family business, Roadmaster cycles. In 1972 he shifted to Haryana Milkfoods, another family run business. Mr. Rajiv Goyal, is an MBA from the University of San Francisco. He returned from US in 1988. With the support of the Himachal Pradesh Government they set up their plant at Paonta Sahib with an initial investment of Z 2 crore most of which was borrowed from state financial institutions and banks. Liberalisation was a fortunate move for them. And this was the time they decided to expand starting their second plant at Kosi Kalan in Mathura. The plant is devoted to the manufacture of 'Casein' and 'Whey'

protein concentrate. It had a tremendous scope since it is used in the pharmaceutical industry, in confectionery and in clinical and sports supplements. Whey makes it possible to produce bakery products like eggless cakes. But in starting their second plant they faced some problems. They bought the technology for 'Whey protein concentrate' from Valio Ltd., a company in Finland. This technology they sought was suitable for Europe which uses cow's milk as opposed to the buffalo milk that is used in India. So their plant remained idle for nearly two years. To solve the problem they employed twenty five dairy technologists to develop a solution and finally they were able to arrive at a solution and production was started. In September 1996, they entered into other food businesses also and started with the launch of pickles followed by mango chutney. And they have plans to launch atleast two products each year. In the words of Mr. A.N. Goyal, "We offer value for money to our customers because unlike other companies that spend about 10 percent of their turnover on promotions, we have been able to keep our marketing cost at about 1 percent of retail sales. All that we save is passed to our customers". Also he said, "We have kept the size of the company under control. Our turnover has increased by over 80 times but the size of our management has merely doubled". P.T.O.

### **Questions :**

- (a) What are the critical issues involved in the case related to expansion of business ?**
- (b) How did Mahaan Foods increased its turnover while keeping marketing costs at its minimum ?**

### **Details**

- 1. Case study solved answers**
- 2. pdf/word in 24-48 hrs**
- 3. Fully Solved with answers**