

# Servis shoes

[Business](#), [Industries](#)



Industries was started by two young energetic friends from Gujrat. These young individuals named Ch. Nazar Muhammad (Late) and Ch. Muhammad Hussain (Late) started a small scale business in 1941 in Lahore. At that time, they only manufactured handbags and a few other sports goods. But in few years, their business flourished and in 1954, they installed a shoe manufacturing plant in Gulberg, Lahore. Later, this plant was shifted to Gujrat and in 1959, Service Sales Corporation (Pvt. ) Ltd. was established which has taken Service Industries to its highs.

Service operates in to sectors, one is the manufacturing and other is the marketing. Manufacturing is under the Sevice Industries, while the marketing is under the Service Sales Corporation that was established in 1959. The main manufacturing plants or Service Indurtry is located in Gujrat and Mureedkay while the Service Sales Corporation is located in Lahore. Servis Shoes has a distribution alliance with many international brands which includes the following:

- Nike
- Hush Puppies
- Pierre Cardin
- Urban Sole
- CAT
- Ecc

While the Servis Shoes include the following brands:

- Don Carlos
- Cheeta

- Soul
- CALZA
- Liza
- Skooz
- Toz

Servis has over 400+ branches in Pakistan and 100 branches in Lahore itself. It is a growing business in international market, and currently it has retail outlets in operating in gulf areas (Saudi Arabia and United Arab Emirates), Keyna and Europe. Servis Shoes enjoys a rich history of excellent performance and it has given its consumers the best quality products within their economic range and with high durability. Servis Shoes offers nearly 200 products per season which is summer and winter.

It entertains its consumers with variety, quality and durability which is within the income brackets of the consumers. Mission Statement “ Spending time selecting the right footwear and making sure that they are comfortable, is time well spent” Vision Statement “ To become a Global, World class and diversified company this leverages its brands and its people

## **SWOT Analysis**

Strengths 1. Cover wide variety of customers 2. Extensive Retail Network 3. Employee Loyalty 4. Diversified range of businesses 5. Highly qualified management 6. Partnership with high end brands 7. Less Employee turnover rate . Strong brand image 9. Advanced Technology 10. Low cost of production 11. Largest footwear group in Pakistan

Weaknesses 1. No proper planning regarding advertisement 2. More focused on sports and casual footwear rather than formal shoes 3. Female market penetration is weak 4. Low aspiration value in high income group 5. Weak corporate image of Service Group 6. As compare to other competitors distribution network is weak

Opportunities 1. E commerce 2. Penetration in female segment 3. Entering new segments of market 4. Innovative products 5. New mediums for advertisement 6. Improve shopping experience at retail outlets

Threats 1. Electricity and gas crises 2. Unstable political condition 3. Increase in Taxes 4. Poor law and order situation 5. Devaluation of Pakistani rupee 6. Stiff completion in market from local and foreign brands 7. Unbranded small players competing against different brands of servis

Current Situation

Political Trends Political instability is affecting the footwear industry and energy crises are the main issue as it increases the cost of production. The import of underpriced shoes has badly affected the domestic footwear industry.

The government of encouraging both import and export that encourages the foreign investors to invest in Pakistan but it is making it difficult for the domestic producers to compete in prices of the product both domestically and internationally. Economic Trends Economic crises have badly affected footwear industry especially to the raw material used in manufacture footwear. The combine export of the shoe industry has decreased substantially. Social Trends In Pakistan the life style of people is changing with a fast pace. Their life has become more money and time oriented. There is a major shift in the values of the people of Pakistan.

People now prefer western life style rather than the traditional one. As cities are growing and more people shifting from rural areas to urban areas therefore increase students, people having jobs and trend to play sports and healthy physical activities so this social trend has direct positive impact on demand of footwear industry. Technological Trends New technology trends also effecting footwear industry in Pakistan. Multinational competitors are introducing innovative techniques to manufacture footwear. Like in sports footwear new technology is being used regarding technical aspects on that particular sport.

For processing of raw material like leather new techniques are being implemented by multinationals Decision Making Product line decision In the product line the major decision is the expansion of product line or the changes in the product mix which consists of the product lines. The marketing division of the Service Industries has to check what is the relation of new product to its existing product line. On the other hand it also has to check that what will be the effect of introducing the new product upon the existing products line or the company image.

The expansion in product line, in Service Industries, is such that it can introduce a new product without pruning any product from the product line. Or the company may introduce a new product while prune another product from the product line. There are some reasons for the pruning of a product from this product line. One reason may be that the product is not producing the desired profits Packaging decision The package decision about the product is

another important area. Many marketers have called packaging as the fifth 'P' of marketing. In Service Industries, zonal managers do the packaging.

They call the designers to make the package design and select the best out of the total design. Branding decision

Branding decision is also one of the most important decisions in the marketing. Service Industries has branded its products by the name of " Servis"

Styling and designing Another way to product distinctiveness is through style and design. Some companies stand out for design distinctiveness. Service

Industries is also one of these companies because it has its own styles and designs. In service industries the styles and designs are made with the help

of local purchase officers who are responsible for making new design Planning 012 will be a year full of challenges, and they want to be a company

that outperforms the market in challenging times. The company's diversification strategy, in its existing business and perhaps even in new

businesses, is being followed with the country's dynamics in mind. Continued focus on exports to identify new markets will turn out positively as the

management believes that there are still many untapped markets in the world. The share in the domestic market still leaves room for growth, both in

the tyre business and in the footwear business. Strategic plans

The strategic plans of the servis group are no different to other companies.

To develop an organization with a cross-functional and self sustaining staff that champions the vision that has breadth and depth of knowledge in their

function as it relates to producing a best-of-class product. The organization wants to increase the market share by attracting more valuable customers.

But the main concern is to satisfy customer by always providing them with

the best quality product. To be ahead of its competitors, by effectively utilizing the organizations competitive advantages.

Never get satisfied with the level of quality; they always strive for continuous improvement using latest techniques. To make their presence in the market well known they want to create a healthy and positive image of the products among consumers. Tactical Plans The tactical plans for the servis group is to keep up with the employment needs of the organization as they know that employees are the real assets and are as important as external customers. They want to stabilize their growth due to the financial crisis all over the world.

The prices of raw material has increased substantially during past few years so they want to keep their over head costs as low as possible so that they will be able to provide quality products to the customers at affordable prices. Customer turnover rate has increased because of the launch of new low priced brands in the market; an extensive advertising plan is in action that will help retaining and bringing back the customers. Long term plans The long term plans of the ' servis' is to increase its market share by penetrating deeper into the market.

Short-term plan The short term plan of the servis is to stabilize the growth of the company. In the retail shops Servis will sale their A pair articles through the advertisement then near the off season through sales then through reduction in prices then company will stop the production and send these all articles from retail to FOL and sale these articles Management by Objectives MBO is being strongly followed in

the organization as almost all the employees work as a team and effectively participate in the decision making process.

The employees are not over burdened by setting some unrealistic goals and employee evaluation is done once a year to check employee's performance according to the objectives. For this purpose HR department uses 360 degree feedback as standard performance appraisal system. ISO 9001 certified The servis shoes are ISO 9001 certified this means that they have:-

- \* A quality policy that is well understood and followed at all levels and by all employees.
- \* Each employee works towards a measurable objective.

Business makes decisions about the quality system based on recorded data.

- \* Quality system is regularly audited and evaluated for conformance and effectiveness
- \* Company designs products after determining customer requirements

- \* Organization has created systems for communicating with customers about product information, inquiries, contracts, orders, feedback, and complaints.

- \* Organization regularly reviews performance through internal audits and meetings. Organization determines whether the quality system is working and what improvements can be made. Makes sure no one uses a bad product,

- \* Determines what to do with a bad product,
- \* Deals with the root cause of problems, and
- \* Keeps records to use as a tool to improve the system.

Chain Of Command Region 4 Region 3 Region 2 Region 1

CEO President Executive Vice President Chairman Executive Vice President Head of Human Resource Head of Exports Chief Financial Officer GM SIL

Muridke Factory GM Domestic Sales Chief Commercial Officer GM SIL Gujrat Factory The chain of command for service is quiet easy and simple to understand .

understand .



It clearly defines that who reports to whom and everybody know its required work and there is no barriers to communication because according to HR Manager Mr Bilal Alam he said that “ We make sure that there is no barriers between top managers and employee and we put our effort to ensure that every employee get an equal right in what he want to say and he has full access to the top authority”. Unity of command is also used by Service in order to get the best results possible from their employees because if there is no clear direction for employees that who will assess their work than they won't be able to perform well and conflicts will rise.

Span of control Wide p of control is used by the service because they have a large variety of products and manager needs quite wider range of subordinates. Managers of service make sure that theie employees work effectively and efficiently by assessing their work and providing them with the clear guidelines. Centralization VS Decentralization Decentralization process is used by the service department but within the limited range. They pass down the authority to those employees who have been working for the organization for more than 5 years because they have a better experience in handling the situation.

Organic organization Service is based upon the organic organization which means that they are low in specialization, formalization and centralization. Servis has created a friendly environment within the organization and doors are always open for service employees to share their problems with the top authorities. Informal communication channel is being practiced with few rules and flattered structures. Structure of the organization Matrix structure is used by the organization and the main reason behind it is that service has

large amount of different product range and every products requires a product manager.

Service has a major drawback in terms of this structure because its cost is high and it can create a sense of resentment within employees but on the other hand its advantages far exceeds its disadvantages. Servis has adopted the framework of the learning organization which means that they do not stick to the traditional ways of doing work but rather are adaptable to change and this has given Servis an edge over its competitors Bata which still sticks to the traditional methods. Over past years Servis has updated its staff, its machineries as well as their communication channels.

**Motivational Policies** Promotion policies The company also motivates its employees by promoting them to higher level jobs after specific period. For example, an employee working as a helper is promoted to the assistant supervisor after specific period. **Bonuses** The company also motivates its employees by giving them bonuses. These bonuses depend on yearly profits of the company. Usually they give the bonuses once a year according to the wages and the salaries of the workers **Compensation and Reward system**

Salary, HealthInsurance, Group Life Insurance, Perk, Provident Fund, Bonus, Leave Fare Assistant, Paid Leaves etc. all these lay in the field of compensation and rewards management in SIL these rewards and jobcompensation are given to employees for keeping their morale high. 30%discount is given to its employees on Service all products **Employee Palnning:-** Like any other organization, Servis undertake employee planning

in order to make sure that they have right number of employees at the right time and at the right place.

Employee planning is reassessed every year in order to get their organization updated with employees who can provide Servis with the best output possible. Recruitment Process:- The recruitment process is undertaken by HR manager every year and advertisement and interlinks are being used as a recruiting sources. It is not a pet decession to recruit employees through training and main emphasis is given on interlinks. Individuals and pannel interviews are being undertaken once the individuals get through that process than screening and short listing is being done.

After all this process, employees are being recruited and there are mainly 2 types of employees 1. Experienced Employee 2. Fresh employee Work ethics are not thaught to employees because it comes with the employees but norms and values are being taught to everyone so that they may be familiar with the organization and perform their jobs within the boundaries defined by the organization. After employees has been part of the organization employee orientation is taken into accouny which means that employee are introduced to the company.

Training is also an important part of the Servis in order to update their employees and achieve the highwst standards set by the organization. The important type of on the job trainig conducted by Servis include job rotation in order to develop multiple skills and off the job training include vestibule as well as simultaneous exercises.

## **Conclusion and Recommendations**

Servis Shoes is doing exponentially good in the market and is proving to be a local Pakistani brand that is able to meet the quality bench mark set by Bata in Pakistan.

Servis Shoes have used varies techniques to give this international brand a good competition with in Pakistan and is also spreading its network abroad. Servis's sales have increased over the past three years and there has been no noticeable fall in the quality of Servis. However, there is still a need from the consumers' side of further better quality products. Soul is doing exponentially good in market, and so is Cheetah, but from the analysis and research, it has been seen that Don Carlos is not doing as good as the other two products of Servis that were analysed.

The quality of Don Carlos need to taken into account. Currently, Bata, the major competitor or Servis, is not giving any such competition to Servis in this line but other international products are. Zara, a local brand, is gaining popularity quickly; Studio Empoli has already made its image in Pakistan and so on. Servis needs to realize that in Don Carlos, its prime competitor is not Bata, in fact its multiple other brands, local and international both. Hence, Servis should cater to the needs of the consumers and expectations of the consumers accordingly.