

# [Agora a bangladeshi: largest super store](https://assignbuster.com/agora-a-bangladeshi-largest-super-store/)

## 1. 0 BACKGROUND OF THE STUDY:

The MBA program is designed to focus on theoretical and professional development of people open to take up business as a profession as well as service as a career. The course is designed with an excellent combination of theoretical and practical aspects. This assignment provides us to link up their theoretical knowledge into practical fields. In this connection, I was assigned to AGORA Super store Ltd., department for my practical orientation.

Students are required to prepare an assignment under the guidance of supervising teachers on a selected subject matter to highlighting his experience and to conduct an in depth analysis on the subject matter. I have tried my level best to present my experience of the practical orientation in this assignment.

## 1. 1 OBJECTIVES OF THE ASSIGNMENT

To present an overview of Agora Super store.

To appraise the Agora Super store Innovations and how store try to adjust with the Innovations.

To identify problems store faces before the innovation.

To suggest suggestions for the development of Store after the innovation.

## 1. 2 METHODOLOGY OF THE STUDY

The scope of this assignment is limited to the overall description of the company, its services, and its position in the industry and its marketing strategies. The scope of the study is limited to organizational setup, functions, and performances.

## (II) PRIMARY DATA WERE COLLECTED

The primary data had been collected in various ways. The different sources were:

Company’s Website.

By the company’s HR division.

Observing various organizational procedures.

## (III) SECONDARY DATA WERE COLLECTED

From prior research report from the organization

From different books and periodicals related to the store.

From Newspapers and Internet.

## 1. 3 LIMITATIONS

Large-scale research was not possible due to time constraints.

Relevant data and document collection were difficult due to the organization confidentiality.

Non-availability of data in a systematic way.

## EXECUTIVE SUMMARY

This whole report is a detailed study on a Super Store and how this store adopt with the technology, where Bangladeshi Super store called Agora has been chosen as a subject matter. However, this report only concentrates on the Bangladeshi branches. This report will be divided into a few parts and commences with an introduction. An introduction of the Store and the organization will give a brief picture of the analysis. The next part will be important work on academic literature which will help in better understanding of the whole cycle which includes triggers of Innovation, managing change, impact on organization, resistance of Innovations, how to overcome to resistance Innovation and management process.

The next chapter will be on organizational analysis where all the information in academic literature will be related to the organization. There will be a thorough discussion on Technology introduced, steps taken by the management to deal with the resistance to Technology, evaluation of the Technology implemented as well as benefits and losses of the Technology.

Further studies show the methods used (such as feedback forms for customers) to gather information to support the analysis in different ways. At the end of this assignment, there will be conclusions and recommendations for Agora superstore which can be done to improve the organization in respect to the current Innovation process.

## INTRODUCTION

The technology that was selected by the concerned organization has led to innovation. Technology is the application of knowledge to the practical aims of human life or to the changing and manipulating the human environment. On the other hand, “ Innovation is a breakthrough approach or idea that can be completely new or idea that can be completely new or an enhancement to something that already exists, it is a refreshing perspective that will challenge many who just cannot see beyond what their own experience is telling them to think or do. ‘ (Stephen w. brian, GPE, IBM, Asia pacific, Elearn (2005, pp. 2-3) refers to Innovation Management as periods of upheaval when radical action is required if the organization is to survive and prosper. As with any forms of Innovations, it is about moving from the current state to some desired future state.

One of the prime change in our lifetime is the consistent and increasingly application of information & managing technology. Managing technology is the continuous process which deals with technology & replacing traditional private offices with the aid of technology. (Henry, J., Matle, D, 2003, p-266)

Managing innovation is a step by step approach which deals with Innovation both from organization point of view and the individuals who are going to be affected by Innovation. Innovation is an important process for survival in this world. Before bringing any Innovations, it is important to know the causes of Innovations, reactions to Innovations and risks due to Innovations. “ The formal quantitative research process should not begin until the problem has been clearly defined.” (Zikmund, 2000, p. 115).

The Super Store in the Bangladesh has been growing immensely year by year. Goods in Product vary from Store and area wise. However, many Stores had to be closed down due to the economic downturn that hit the world recently. There are many rules and regulation nowadays set by the government in Bangladesh to become the Superstore owner more responsible.

The Largest Bangladeshi Superstore was founded by Mr. M. Hasan Ali. Agora is a Multi Super store that serves every necessary product for the people in Central city in Dhaka, Bangladesh. The first branch was opened a couple of years ago in central City Of Dhaka but now their branch is expanded the other entire metro city in Bangladesh. The main objective of the Super store is to provide high quality of products at a comparative price to the customer.

The key success of the organization is that the management monitors the day to day operation which helps Agora to decide what, when and how Innovations can be introduced in order to provide better quality in all areas from time to time. Agora has crossed milestones, set records and redefined the dine-in experience ever since it started.

## Types of Innovation:

Products and services – innovation applied to products or services or market related activities. Operational- Innovation that improves the effectiveness and efficiency of core processes and functions.

Business model- innovation that fundamentally.

Business model- Innovation that fundamentally transforms the way a business works or drives revenue.

## How to be an Innovative Organization:

Create a Strategic Vision.

Establish innovation as a priority.

Create organizational structures that promote collaboration

Establish processes to convert ideas to Innovations

Allocate the resources

Train workforce on Creativity Tools

Measure and Communicate results

Recognize Creative behavior

Reward Innovative results.

## ACADEMIC LITERATURE

“ In Today’s world to be a leader in industry you have to be innovative. Companies must be able to look forward at the strategy and know how to bring products to market faster than their competitors. Innovation is the key. It’s not just for the technology, it’s for the business strategies as well” (Handy, 1999, p. 181) indeed, the way things are carried out and coordinated is essential to determine the success and failure of an organization. When organizations do not seem to be profitable, Innovations are introduced in order to have better outcomes. These Innovations might have been triggered from the outside or within the organization.

Tidd et. al (2005, p. 205) mentioned that external factors whether threats or opportunities have to be communicated to organizations in order to be innovative and have longevity. Customers seem to have greater effect on businesses as they are the ones who have the purchasing power. Requirements and tastes in customers’ selections Innovation from time to time in which organizations have to adapt to keep existing in the market.

Competitors could be another factor which triggers Innovations. In Retail industry especially, customers have various selections of product and failure to follow their expectations will make the organizations lose out to other competitors. Setting up a business means it has to compete with existing competitors as well as potential competitors. Competitors are usually hungry for innovation and different strategies are used in order to be the market leader.

Meanwhile, technology is another drive for Innovation that most organizations are now trying to adapt since it is the key to the new business era. Though technology tends to be obsolete very quickly, it is the fundamental factor of every business nowadays. Technology could speed up processes and work can be done more efficiently.

However there are some factors to consider which makes a organization to technology oriented. The factor are given discussed bellow.

Determined to new ways of operation: It’s a difficult transition for the organization to replace the traditional working activities to technology concerned. So there should have some adjustments in terms of organizational cultures, the ways in which employees are working, performance measurement and rewards.

Is the organization informational rather than industrial: This distinction refers to a management philosophy and style rather than to an economic sector or customer base. Here industrial context means the organizational structure and management processes are done through face-to-face incentives and employees remain specific workplaces. On the other hand informational means the activities are done through voice and communications.

Open Culture and Proactive Managers: In this case the organizations have to be dynamic hierarchical, technologically advanced rather than a highly structured , command driven.. Also the managers have to be multifunctional , promoting and supporting a virtual-office initiative right from the start.

Clear links between staffs, functions and time: Technology related organizations also do not depend on the specific locations or types of facilities. Here the concept of the parameters of the are important, such as whether the work executed over the phone, in person, via computer, or all of the above. How much time does the employee need to spend in direct contact with other employees , customers and business contacts? If a critical mass of corporate functions cannot work in an alternative work environment , the potential benefits may be too marginal relative to the required investment and effort.

Proper tools, training, and techniques: To improve the technological oriented organization , all who are involved must be armed with a full set of tools, relevant training and appropriate, flexible administrative support.(Henry, J., Matle, D, 2003, p-268-270)

Government plays an important role in bringing about Innovations as well. Different countries have different rules and regulations that companies need to abide to. Business policies are introduced by the government as to protect consumers and the country too.

Nonetheless, these triggers are also accompanied by internal factors which have made organizations Innovation their ways in conducting business. Employees are the drivers of firms who will run the business. Employers have to make sure they are motivated and keep improving themselves for better productivity. When quality and standard of performance are degrading, management needs to find out the cause of it.

Managing Change: Managing change refers to continuous improvements (CIPs) and creativity to improve both products and processes. The aim is precisely to design and implement a system whose natural equilibrium is constant and change. (Henry, J., Matle, D, 2003, p-230)

Competitiveness and managing change: A clear demonstration pf how one understands the relationship between competition and strategic change, becomes imperative when the literature on management is considered. Any study of the nature of the nature of competition and managing strategic change is obliged therefore to do two things at the outset: first lay out the major approaches to these issues , and second make clear understanding competition and change.(Pettigrew, A., Whipp, R., 1993)

## Management Processes

Organisations need to check from time to time if they are in line with their objectives. Once visions and objectives have been developed, management team will be able to take actions to move towards them.

These can be answered by going through Innovation management. Ettlie (2006, p. 97) refers to strategy making as the process of matching an organisation’s internal resources with environmental opportunities and risks to accomplish goals.

Strategic management has three main stages; strategic analysis, strategic choice and strategic implementation (Johnson et al., 2008, p. 12). Managers have to handle strategies in various situations as to meet corporate objectives. Strategic analysis could involve SWOT analysis and PEST analysis to assess the options for Innovation.

(Source: Johnson el. al.)

Figure 1: Strategic value

Lynch (2006, p. 450) describes SWOT Analysis as the analysis of the strengths and weaknesses present internally in an organisation coupled with the opportunities and threats faced by the organisation externally.

Once the internal and external audits have been analysed, the next step will be strategic choice to identify the various options, evaluate them and selecting the best that fits with their desired goal.

The best option will be implemented and a proper Innovation implementation needs to be planned for. According to Cook et al. (2004, p. 58), managing Innovation can be described as consisting of four stages; set up, kick off, delivery and review.

The stages come sequentially. Firstly, it is the set up, which entails letting people know about the Innovations that will be made and motivate them, looking out for the unexpected and assessing the state of the organisation in respect to their readiness to Innovation. Then, the kick off is the final preparation by putting everything in place which might require a project manager and good channels of communication. The delivery involves ensuring people responsible to carry out tasks. The final stage is the review by checking the feedback on how Innovation is affecting all parties involved and if it is yielding the desired results.

According to Elearn (p. 95), for Innovation management to be successful, management can conduct various strategies such as democratic, collaboration, participation, direction and coercion.

## Focus On People: Traits of an innovative Leader:

Create an external focus: -define success in market items

Be a clear thinker: simplify the strategy into specific actions, make decisions and communicate priorities.

Have imagination and courage: takes risk on people and ideas

Energize teams through inclusiveness: Connect with people, build both loyalty and commitment.

Develop expertise in a function or domain: use depth as a source of confident to drive change.

## 3. 2 Impacts of Innovations

“ It is crucial to know how they handle failure” (Coburn, 2006, p. 179)

Organizational Innovations are not easy to implement. Management needs to foresee outcomes of Innovations. Assessment needs to be done in order to find out whether the whole objective has been achieved and how Innovations affect the value chain of an organization. The activities within and around the organization are known as the value chain process. (Porter, 1995)

(Source: http://www. learnmarketing. net/valuechain. htm)

Figure 2: Value Chain of an Organization

Hayes (2002, p. 148) mentioned that people go through personal transition when Innovations are brought into organizations as Innovations are the beginning of something else. Reactions received from employees and customers might vary greatly. In short, everyone involved in the Innovation process is affected by the Innovations made by organizations.

When one alternative is given up for another valuable alternative, it is called opportunity cost (Dibb et. al, 2006, p. 395). The value of benefits offered is measured in monetary and non monetary form. Early judgment is made by management to choose the best option.

Nevertheless, Innovations were never made if they were not for organizations’ better future. When a product or service meets customers’ needs, it happens to be a quality one. A quality product relates with employees good performance and improvement in reputation which will result in increased profits (Heizer and Render, 2004, p. 190). These could only be achieved if management has a strategy in managing Innovations. Customers’ and employees feedbacks can be taken as a part of evaluation process.

Whether it is beneficial or otherwise, management has to look at the bigger picture to determine the success or failure of Innovations imposed. Tidd et. al (2005, p. 96) stated that a failed Innovation process could be a useful information for the next Innovation being enforced.

## Resistance to Innovations

Human normally resist Innovations simply because they see it as a threat to their normal or familiar system of work, financial position, patterns of status and fairness of their security. Generally, the main reasons for resistance are as follows:-

## Economic Fears

People are always concerned with any Innovations made by management because it could affect their income and their job security. But most importantly, they fear that either directly or indirectly, Innovation may affect their pay or rewards or they may undertake more responsibility for the same pay. For example, new shift system introduced by management may require employees to work extra hours without any payment adjustment.

## Inconvenience or Loss of Freedom

According to Mullins (2002, p. 823), “ if the Innovation is seen as a likely to prove inconvenient, make life more difficult, reduce freedom of action or result in increased control, these will be resistance people usually see Innovation, that it, would make life very difficult”.

## Uncertainty

People are not certain as to whether Innovation will be in their favor and most likely see it as having a negative impact. On promotion for instance, people may resist the uncertainty that whether such Innovation or promotion may demand more responsibility, which may affect their social life.

## Organizational Resistance

If an organization has been adapted to their environment in which they operate, the whole value chain is already familiar to the organization’s structure and policies. The organization as a whole can resist any Innovation which might affect the organization culture which the company has developed.

## Overcoming Resistance to Innovations

Though, it is difficult to overcome resistance to Innovations, it is crucial to analyze the potential impacts on those whose jobs are affected. It is also important to involve those concerned in the Innovation process, so that they can contribute and make suggestions. This will result in reducing employees’ current fear. There must be a clear communication between employers and employees about Innovations implemented, either through written documents or a face-to-face communication with the workers.

According to Pettinger (1996, p. 502), resistance to Innovation can be lessened if:

i participants see Innovations as reducing rather than increasing their workload.

ii new wages of working accrued with prevailing attitudes values and beliefs.

iii new ways of working are seen as benefits and not threats.

## ORGANIZATIONAL ANALYSIS

AGORA however has been experiencing a few Innovations throughout their business years which are caused by several different factors, internally and externally. Their major trigger of Innovations introduced was because of the poor performance of sales made by AGORA recently. This has lead to bad reputation and image of the Store amongst its customers as well as potential customers. AGORA also wants to maintain the quality of Fresh Department that they provide so that they meet customers’ expectations. However, maintenance costs are quite high as all ingredients and sauces are brought all the way from different area in Bangladesh to maintain its quality.

Workers in AGORA seemed to be de-motivated and disinterested in doing their jobs. Complaints had been received from customers for these workers were very slow in taking orders and even to serve Customer. As most of the employee are part- time, they lack of culinary skills and experience in serving customers. There was a poor coordination between communication Skills and Customer service experience.

However, the major external trigger of Innovations was the customers of AGORA. The number of international customers was growing significantly. Numerous feedbacks have been received from customers who mainly complained about the service provided by AGORA’s workers. They took ages to serve the customers. The poor performance of employees has irritated many customers who then preferred to go to AGORA’s competitors. The existing competition has made AGORA to introduce Innovations to cope with the market.

There was a room for technological advancement as AGORA faced a problem with time. Introducing new technology could increase the Customer orders accuracy and reduce customer complaints. AGORA had wanted to create a competitive advantage from the technological aspect.

There was also a pressure from government in terms of rules and regulations of having part-time workers. Since workers of AGORA are all home and mostly student, they need to abide by law enforced. School leaving have been a real concern of the business because of the tougher regulations in place.

## Management Processes

## Strategic Analysis

AGORA has developed objectives, which is an essential step for the organization about where the management team wants to be in the future. AGORA wants to increase customers and employees satisfaction, have a quality and productive workforce, improve operational efficiency, maximize the use of technology as well as have a financial success.

AGORA had to analyze its internal and external environment, by using PEST and SWOT analysis. They had to start their analysis from within which began with their staff. Problems were identified after an analysis has been which were mentioned earlier in the ‘ Triggers of Innovations’ chapter.

## Strategic Choices

AGORA is not the only Central City in Bangladesh its expand their business all over the Bangladesh that’s why many competitors are in the market. Competitors grow like Family needs and on top of all that; AGORA has to compete with other types of superstore. Thus, AGORA had to provide customers with products or services that are perceived higher value or quality than those offered by rivals.

In order to increase customers’ satisfaction, AGORA had asked for customers’ feedback as to improve their performance. Since most of them were not satisfied with the service offered and the decreasing quality of the product offered, AGORA found a few options to improve their performance. They could train their staff to perform better, bring more professional Staff from other departmental Store.

Technology was an idea, introduced to the organization as a part of improving performance. Since there were always miscommunications between customers and employees as well as amongst employees themselves, a new technology called Palmtop seemed to be a good investment. It is a small machine which will pass orders keyed in by customer on online and send it to the customer service department as soon as possible. This however, requires knowledge in handling this Technology.

When it came to handling employees, managers of AGORA had to brainstorm on effective means of improving workers’ performance. Some managers from different countries were brought to the Bangladesh as to help out the management. Options such as training and development, knowledge management and salary increased were considered. AGORA wanted to recruit an IT expert who can handle all kind of IT issues and gives training regarding technology..

Since the Bangladesh government has tightened its rules in employing Student workers, AGORA had to deal with this professionally. AGORA could either train Full time employees to serve the customer and handling the other related service. The process of acquiring foreign manager seemed easy but maintenance cost would be high. The latter would be time consuming, but provide better quality.

## Strategic Implementation and Innovations Adopted

After evaluating strategic options, the management of AGORA had decided to make Innovations in their existing operational system. Management had a meeting with employees and informed them the Innovations that were going to be adopted. Though the company is keen in cost cutting, it does not want to compromise in terms of quality.

Operating costs were also cut by reducing the break time of workers which would lead to reducing of wages. Meanwhile, the Innovation leadership team had made a survey with IT firms. After conducting a cost benefit analysis, AGORA had agreed with an IT firm to acquire the new technology by buying Palmtops and printers.

Staff had been trained to improve customer service and standard. A training manual has been given to each employee. Employees were also trained on how to use those Palmtops confidently. The Innovation team had decided to internally motivate the staff instead of recruiting new staff.

AGORA also started to deal with the government properly by going through a complete process of acquiring full time workers for the different positions.

Once AGORA had adopted the Innovations, questions of continuous progression were raised by management. Management wanted to maintain the benefit of Innovations in an equilibrium position. Monthly meetings with employees were arranged and twice a year, AGORA would conduct a big meeting with managers.

## Resistance to Innovations and Overcoming Them

Through a thorough investigation the management found a few drawbacks faced by AGORA. Product of AGORA opposed the idea of other store because now AGORA is trying to produce their own product as of their own brand name which will be the different than the other competitors in the market. Existing employee felt unsecured about their job since the introduction of new technology. They thought management would reduce the number of workers because of the Palmtop acquirement. Meanwhile, some others were afraid of being replaced for not knowing how to handle the machine. Management made a crucial move by giving adequate training in technology to all staff and delivery was monitored for every customer.

The challenging part of the Innovation was to train the part-timers. They did not think it as beneficial to them since the training did not ensure an increase in salary and they did not plan to stay longer in the field. AGORA managers then decided to give certificates for the training program and it actually attracted more students to join the organization.

## BENEFITS TO THE ORGANIZATIONS

There were a few opportunity costs involved as AGORA was trying to cut down the maintenance and operating costs. Nonetheless, this is to provide higher profits for AGORA in the future. It is evident that sales curve has been moving upwards since these Innovations were adopted. Financial performance has shown an increase for both branches of AGORA.

Although there were negative feedbacks from employees, their standard in serving customers were also improving by miles. The length of time from ordering to serving foods was cut by half of time because of the new technology employed. Employees were seen more serious and motivated in doing their work too.

Since customers are the greatest assets of AGORA, they are the ones who get the most benefits. They receive better service, higher quality of food, and unforgettable experience from AGORA. Despite the lower operating costs, quality of food seems to be improving. Customers believe that AGORA has really improved its operation. AGORA now has more customers than it did months ago. Financially, AGORA has becoming more profitable and an enjoyable place to eat at.

## CONCLUSIONS AND RECOMMENDATIONS

It is no secret that AGORA has seen great improvement after Innovations have been introduced. It has been a long process since the realization for Innovation occurred until now, when some of the Innovations have been implemented. Today some of the Innovations have been adopted, and the problems and struggles seen when Technology was brought about have been perceived.

Evidently, AGORA has experienced major benefits from Technology that was implemented. It has been noticed by management and staff at AGORA that Technology is necessary, and even though it presents difficulties, and involves people to get out of the comfort zone, in the end if managed appropriately, Innovation brings positive outcomes.

Nevertheless, Innovation should be an ongoing process in any organization, and it should be like that for AGORA as well. Even when some of the Innovations are fully implemented and adopted, management of the organization needs to remain focused on constantly finding new triggers for Innovation so that the organization remains in constant evolution. Therefore, below are recommendations made for AGORA:

A timeline should be set until all identified Innovations are adopted. It is important to realize that not all the Innovations have the same priority, and not all of the Innovations need to be implemented at the same time. The timeline should be broad and well planned and Innovations are prioritized.

A very thorough cost analysis should be done on new Innovations that are to be implemented. AGORA should be very careful not to have higher opportunity costs than the benefits that any Innovation may bring. Whenever there are options, the potential benefits of an option should be quantified, and then compared against the implementation costs. If the implementation costs are higher than the benefits, such option should not be considered.

AGORA should take advantage of the Bangladeshi fair trade as for the ingredients needed. This would stem the tide of AGORA’s spending and reduce operational costs.

AGORA should also start a deliberate policy of training and re-training their human resource personnel.

AGORA should motivate their staff through better remuneration and emoluments; this is to make them give their best to AGORA.

The use of technology should be perfected to help the operation of AGORA from the waiters to the chefs in the kitchen. There should be a synergy between them.

Finally, communication needs to remain an important trigger for Innovation. It is at the center of evolution in any organization, as this is what helps identify areas of weakness or areas where Innovations may be implemented. In addition,