

Entrepreneurship case study

Business



**ASSIGN
BUSTER**

He asked his cousin to take him under his wing and began working for the chemical trading business for a salary of RSI.

20, 000. Refrain worked without a break, opening his cousin's business at 8:30 am every day. Even Sunday was a working day. Refrain then decided to do startup a business in which he is the sole owner. He told his cousin and mentor that he wanted to quit and start something on his own.

He was fed up of working for others and wanted to do his own business. He was from a family that earned through agriculture. Therefore, he wanted to do something for the farmers.

He wanted to come up with a product that could help the farmers In cultivating their crops. He went to agricultural lands and started spending some time with the farmers to understand their work and try to figure out the problems that they face. He wanted to conduct a complete research before entering into a business.

Refrain started living with the farmers and got completely involved into agriculture. After eight months he was completely aware with all the processes and the problems that farmers face In cultivating crops. After a lot of thinking he decided to Import chemical retailers for better agriculture.

At the beginning he was working alone and used to operate from his home. He started his company in 2003 and named it “ Pure Fertilizes” He had no employees to share the load of work.

He started with an initial capital of RSI. 25, 000. He imported chemical fertilizers which were suitable and helpful for the farmers. He designed and

packaged the products in such a way that they may look attractive to the farmers and is also easy to use. Most importantly he wanted to make sure that the products fulfill the needs of the farmers.

He had spent a lot of time with the farmers, so he had great relations with the farmers and that helped him a lot to sell his products to them. Farmers had a lot of trust in him. He tried to maintain a quality in his products that no other supplier was providing. His relationship with the farmers helped him to earn high revenues. He believed that building trust in farmer's minds and providing them with consistent quality can play a huge role for his success. He set a target of RSI.

100,000 in monthly revenue for the first year but logged just RSI. 50,000 the first month.

He started adding more customers and politely asked that they make payments within a week instead of the standard practice of a month, so that he could buy more stock and service them well. Business picked up over the next few months and he did end up with 1,500,000 of revenue for the first year. As he started growing up his business he started hiring employees to share the load and carry out operations.

Refrain used to pay customers to return ten empty chemical cans. Tanat Nils team would clean up and reuse. As orders started pouring from other parts and were large, Refrain had to find truck owners willing to carry fertilizers in their vehicles.

He managed to keep transportation costs low to become competitive.

Competitors were also growing with good pace in the industry and Refrain had to find a way to stay competitive and make sure that he doesn't lose his market share. At that point Refrain decided to locally manufacture their fertilizers.

This decision increased Raffia's market share and profitability because he could cut importing cost. This was a big decision. Raffia's focus was to maintain the same quality in locally manufactured products that he offered with imported fertilizers. He kept producing consistent quality and kept increasing profitability.

Locally manufactured products were sold on the same rates as imported products. However the cost of locally manufactured products was much lesser than the imported fertilizers.

This earned huge profits. Today, the company's revenue stands at 17, 000, 000 annually. Refrain expects this to grow at least 45 percent in 2012. And, the entrepreneur is fervently trying not to repeat past mistakes or miss opportunities. This time around, he isn't afraid to think big.

Raffia's eyes are set on overseas growth with the target to be within the top five globally. The company souses to open branches in Sardinia, Singapore, Bangladesh and Kenya.

It also has interest to open a small procurement office in China in near future. The US and Europe are mature markets and so we are focusing our energies on the Middle East, Africa and the Asia-Pacific region, Refrain said.

Raffia's belief is that if he had not spent time in the lands with farmers and had not surveyed, he wouldn't have been able to achieve what he has.

Questions: IQ .

Was Refrain successful with his business idea and why? SQ. What were the key factors that led him to success? SQ. What would you suggest him to make his business better ?