

Increasingly  
competitive world



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**Introduction:**

In this increasingly competitive world, companies find it more and more difficult to bring a competitive edge. It is nowadays difficult for a customer X to differentiate a product or a service from another as it is true that all the brands have got lots of similarity.

Infect, in such a situation, innovation become crucial and vital for any company which want to last long in a particular market.

In this assignment, we want to show, not only an innovation, but the implementation mechanism which leads to an effective value added in the employers point of view, and then in the customers appreciation also.

To highlight the benefit of innovation, we're going to consider the case of a company operating in the non baking finance industry. By showing the perpetual improvement system in this company, we hope to throw more light on what is innovation before being able to recommend some further action that can be followed.

**A) What is innovation?**

Innovation is all about turning good ideas into realistic product, service or method to improve the capability of a business or a nondescript organisation. An innovation should be something that

people will find original, helpful a unique compare to the competitors. We're amused to say that in his early stage of discovery, an innovation might not face substitute product.

According to Mr Tony Blair, former prime minister of the United Kingdom,

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“ The creativity and inventiveness of our people is our country’s greatest asset and has always underpinned the UK’s economic success. But in an increasingly global world, our ability to invent, design and manufacture the goods and services that people want is more vital to our future prosperity than ever. Innovation, the exploitation of new ideas, is absolutely essential to safeguard and deliver high-quality jobs, successful businesses, better products and services for our consumers, and new, more environmentally friendly processes . There are many British companies who have risen to this challenge and reaped there wards for their vision. Those British-based manufacturing industries that have invested heavily in Research and Development (R&D) have, in recent years, competed successfully in the global economy and have grown faster than the economy as a whole. We want the UK to be a key knowledge hub in the global economy, with a reputation not only for world-class scientific and technological discovery but also for turning that knowledge into new and profitable products and services. This report sets out the next steps we are taking to turn that vision into a reality.”

**Importance of Money Transfer:**

Whether a person is studying, living permanently, holidays visit or on a business trip from his country to other, the importance of transferring up the money is not negligible. Either the transfer can be from the hosting country side towards the native country or from the native country towards the hosting country they both are very important depending on the scenarios. To transfer the money from one side to other we have to choose the way that will be save and also have minimum amount of charges. When transferring

the money overseas, don't think you will get the best exchange rate from the banks where you have accounts. For this process you have to look for the companies who are specially dealing in this field for long time because the banks always charge you high rates than the foreign exchange companies here is a personal example of a lady.

**Example:**

A lady working as a chef in the country had a plan to move back to her own country UK after 20 years. So after some careful consideration her solicitor recommended her a method of transferring of money through foreign exchange broker specialising in international money transfer. Her account manager helps her to let her know about the daily currency report and help her to choose the company for which she is looking for. After choosing the company she matches the rates of the company from those of the banks and she found the great difference in it. So she was thankful to her accounts manager who helps her in understanding the whole procedure of transferring the money.

**Description of the Muthoot Group of Companies:**

An industry is the people or companies engaged in particular kind of commercial enterprise. Each industry has its own publications in other words we can say an industry is the organized action of making goods and services for sale.

In this particular field, we're dealing with financial industry which we believe is based on innovation. As the products offered in this industry are in fact services is essential that the organizations like banks, insurance, estate

agents etc... keep creating new added value to differentiate themselves in front of the final consumer who is it goes without saying spoiled for choice.

Muthoot group of companies are the one who considers as the pioneers in foreign exchange specialist. They will provide you with an accredited dealer who advice you for general foreign exchange and explain you the products and services they offer which the other competitors don't.

The Muthoot Group is 120 year old business house based in India. Financial Services, Information Technology, Media, Healthcare, Education, Power Generation, Infrastructure, Plantations, Precious Metals and Hospitality. The Muthoot Group operates in 21 states in India, and has a customer base of over 25 million. It is wholly owned and managed by the Muthoot Family. The Company was set up by Muthoot Ninan Mathai in 1887 at South India. It was then later taken over by his son M. George Muthoot who incorporated the Finance division.

### **Services in Muthoot Group of Companies:**

1. Finance
2. Information Technology
3. Securities
4. Media
5. Healthcare
6. Hotels & Hospitality
7. Housing & Infrastructure
8. Other Divisions
9. Philanthropy

## 10. Environment Research Foundations

### **Finance:**

Muthoot Finance falls under the category of Non Banking Financial Company (NBFCs) of the RBI guidelines. Muthoot Finance has more than 1000 branches spread across 20 states of the country. ' Muthoot Gold Power' is the lifestyle product of Muthoot Finance aimed at mobilizing the Household gold in India which is estimated to be more than 15000 tonnes. Muthoot also provides various financial services such as Insurance distribution, Wealth Management, Foreign Exchange, Money Transfer and Vehicle & Asset Finance.

### **Information Technology:**

Emsyne, the information technology wing of the group develops products for the service, education and healthcare industry. Emsyne offers on site and offshore services, whether project-based outsourcing / assignments, or based on time and materials. The Core Products of Emsyne are Edge – Educational Institutions Management System Finex – Innovative Banking Automation System.

### **Securities:**

Security of the money is the biggest issue that takes in to an account that which provider you use to send money internationally. Muthoot group of companies had a turn over US\$3 billion in forex trades over the last year which is the example of its sincerity and honesty in the field of foreign exchange. Muthoot Securities offers broking services in cash and derivatives segments at the National Stock Exchange and Bombay Stock Exchange. It has a network of more than 61 branches.

**Media:**

Chennai Live 104. 8 is India's first talk radio FM station. The station would be focusing on knowledge centric and local content and will be targeting the information and entertainment needs of Chennai's intelligent community.

**Healthcare:**

The Group operates several Diagnostic & Scan centers throughout South India and a multi-specialty hospitals in Kozhencherry, South India as a Non-Profit Organization.

**Hotels & Hospitality:**

Muthoot Hotels operates a 4 star resort and also operates 12 houseboats in the backwaters of Kerala under the brand Muthoot River Escapes. Coffee Club is a chain of South Indian coffee outlets managed by Muthoot Hotels.

**Housing & Infrastructure:**

The projects of Muthoot Builders are primarily situated in central and south India, Muthoot has a track record of more than 30 completed projects including commercial and residential spaces.

**Innovation in the Muthoot Group of Companies:**

As we said above, innovation is the only way for Muthoot to find its place in the market of UK. The key innovative approach in Muthoot resides in Product and Services Innovation. It is well said that,

**“ Innovation connect unconnectable and expect the unexpected.”**

With more and more people migrating to foreign countries to earn a livelihood, there arose a necessity to transfer funds to their beloved ones in different countries. Money can be sent to their native land through various

channels. Money transfer is an online internet facility which enables the customers to collect the money from abroad. It is available to every customer of Muthoot around the globe. No matter which money transfer facility you choose you will find it fast easy and reliable through which you can receive the money from receiving centers with in very short period of time and there is no need to open a bank account on the receiving end. With the help of internet facility connection all the branches of Muthoot finance are capable of providing good money transfer service facility with in its all branches. One of the innovation of Muthoot in UK which is a great advantage is that the customer can send money to any part of the world through different money transfer schemes, what is not in the case of most of the competitors who just have their main product with is besides the name of the brand. The service to the customer is prompt and accurate without any delay.

At present, Muthoot finance offers 6 inward remittances.

1. Xpress money in association with UAE exchange.
2. Instant cash in association with Wall Street Finance.
3. Ez Remit in association with Bahrain Finance.
4. Coin star money transfer in association with coin star.
5. Zoha in association with Indus Bank.
6. Money gram with Thomas Cook.

### **Schemes in the Company:**

These schemes in the company make this company different from other companies. As considering a huge potentiality which is available in money transferring business, company introduced a number of innovation process.

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1. Muthoot has got the facility to transfer fund from different part of the world through our outward remittance or wire money. The money will be credited to beneficiary's bank account with in 48 hours.
2. Happy day gifts is the greatest innovation of Muthoot which enables the customer to send gifts to their family back home.
3. Starting the money transfer business UK and Middle East in association with Bahrain Exchange company is one of the innovation process of Muthoot group.
4. A part from money transfer, wire money and happy day gift, they have got air ticketing and parcel service also which is also consider to be their greatest innovation in the field of business.
5. Muthoot always look for the better service in competitive rates with other service provider in the market. So they provide a good rate service in the business of money transfer, happy day gifts, air ticketing and in all of their other areas of business.

Here in UK Muthoot Global Transfer is operating the business at South Wimbeldon, London.

### **Group Discussion :**

In the light of all above material our group had made some discussion on the innovative method adopted by Muthoot company. We all the members of group had given their point of views in the light of our third lecture that how this company is consider to be as innovative. The company in the beginning had started its business with the concept of money tarnsfer from one country to another. So they have adopted the strategy to choose a place where most of the foreigners travel. Than after choosing their different countries they

have created an idea of making themselves different from others by giving different facilities to the people under one roof. They firstly introduce the business of ticketing which is appreciated by their customers. They also introduce a point base system just like if a person is successful in achieving the score of 100 by sending a specific amount of money from their company than their company will reward that person from a gift voucher of return air ticket from any destination of the world. The Muthoot group of companies also introduce a method of happy day gifts. In this process the company keep this thing in mind that the people while sending money also send gifts to their beloved in different occasions so they also introduce the method of dispatching gift items from one country to another and now they become competitors not for money transfer companies but also for the mail companies. For all of these process they keep one thing in mind that they should provide an excellent facility to its customers on the basis of cheap transfer.

**Future Planning:**

In the very near future the company decides to facilitate its customers by the facility of online calling cards. In online calling cards the customer had register through internet or by calling to them to their offices. Than the customer can use their facility of inline calling in very cheap rates and after using specific limit of time they will be awarded with some free minutes to call their destination. This is also a very good idea to capture the market of foreigners.

**Conclusion:**

Now it becomes very necessary, to be innovative for the survival of business.

The business can be successful if they are aware of the changes occurring in the market on the day to day basis. The business should have proper strategy like

Product and services that what type of product they are introducing in the market and what type of service they should provide to their customer.

Operational function is the back bone of the business if they are operating their business on the principle of innovative products than their business can be a successful in any market.

Business model is the most necessary part before any thing. The company should have plan of their launching business.

For achieving the task of innovation we must keep this in mind that invention is not be apply only on product but it should be apply on process also. For example if Muthoot is introducing a method of online calling card in future than they should keep this in mind that their service of online calling should be very easy to connect and always be very efficient on the outgoing calls as well as incoming call.

**“ Innovation distinguishes between the leader and the follower”.**

**Appendix****Survey Questionnaire****Personal Information:-**

**(1) How long have you been working at this place?**

I have been working since 2 years.

**(2) Since how long you are holding a Manager Position?**

Actually I am required as the manager in this branch.

**(3) Have you acquired any qualification and professional training?**

As far as academic qualification is concerned I have done my masters in commerce. After finishing my post graduation I got a job in one of the famous textile company as a Manger trainee. From there I got the training about the export and import rules and regulation. After that I was appointed as a manager in a middle east based financial company, from where I got training regarding forex trading, share trading etc.

(i) If you had any professional training is that Internal or External training?

Both.

(ii) What kind of training did you have?

I just mentioned above.

(iii) Is that training helping you to manage your work?

Definitely, it helps me to manage my work to make work smooth. Because it just like very challenging for me when we start the business. But we proved well.

**(4) Where are you looking yourself after a year time?**

Manager of one of the best money transfer company in UK.

**(5) What you consider yourself the load of work is manageable?**

As a good manager give proper division of work to my colleague with the introducing latest technology which makes our work easy and make our customer happy.

**Survey Questionnaire****Company Related Questions:-**

(1) What is the key role of the business?

Our main business is world wide money transfer. We also deals with air ticketing, happy day gift, i. e. customer can send gift to their family members in back home, world wide courier service and wire money, that is if any customer want bring money from back home we will help them.

(2) Being part of this business, do you consider any difficulties to meet the competitors?

When we start the business, we face very difficulties from our competitors. But we offers very competitive rate to customer. We give good publicity. As I said before our main business is money transfer. Firstly we transfer the money to India only. Gradually we started the money transfer to other countries. As far as customer is concern they just looks about the rate which a money transfer company is giving to them. We are giving good rate and good service as well.

(3) I notice that your place is quite busy in peak hours are you giving any online facility to the customers?

Yes, we are giving online facilities to customers. When they come to our office or our franchise we collect their id copy and address copy and then we gives the customer a unique no and password. Once they got the number they can use our online facility.

(i) Is online service does allowed to the customers to manage personal account?

(ii) Does online service have a secured method of payment?

Yes. Online banking is fully secured.

(4) What is the key competitive edge which makes your business differ than others?

Well our business, money transfer wants to face a lot of competitors. For that in order to attract customer we introduced some new service which is much different from other money transfer company.

- We are giving very good competitive rate to customers.
- We give an interest free credit up to £750. 00 to our corporate customer for 2 days. I think it is one of the best services which we are providing to customers.
- More over our customer can book the rate. That is suppose if the customer is not happy with the current rate and he is expecting a good rate in next few days he can deposit the cash in to our account. Once the rate comes, we will inform him and we will send the money.
- Once a new customer comes to our office we collect the copy of ID card and copy of address proof and we issue an id card to them. Nest

time the customer doesn't want to come our office to transfer the money. He can do the money transfer through deposit the money through online and sending an email regarding his transfer details.

Once we confirming everything are fine we transfer the money.

- We update the rate to our requested customer through text.
- Our staffs are much efficient so that a customer can finish the work with us with in 5 minutes.
- When the money is credited in the beneficiary account, we will inform the customers.
- As u know, we also deals with air tickets, we gives 5% discount to our regular customers.
- We provide 100% customer satisfaction to our entire customers.

During the first few months we face tough competition. Because customer wants to stick on their regular money transfer. Later on we gradually introduced our service and right now we are one of the best money transfer company in uk.

Other thing, introducing of franchise in another important thing, that we improve our business. For opening a new branch is very expensive. So that we locate some main cities in uk, and we started business with main shops or estate agents in that area. Right now we got 20 branches all over uk. All our franchises are work on commission basis. Our entire franchise customer can enjoy all the service we provide.

(5) Now day's technology evolving rapidly, so how you cope up with that?

Actually we are updating our technology every times.

For example when we start the business customer want to come to our office every time, and they want to carry their id details. For that we introduced id card to all our customer. Introduction of online banking system makes our customer easy and happy to do money transfer with us. It is more secured because customer doesn't want to carry cash with them. With the introduction of card machine, customer can pay by credit card as well.

**Customer Questionnaire:-**

**(1) I have found a friendly environment at this place.**

(i) Agree (ii) Strongly Agree (iii) Neither (iv) Disagree (v) Strongly Disagree

**(2) I found the staff members are highly professional and well behave.**

(i) Agree (ii) Strongly Agree (iii) Neither (iv) Disagree (v) Strongly Disagree

**(3) I have got good rates than other competitors.**

Yes/ No

**(4) Online services are more secure and user friendly.**

(i) Agree (ii) Strongly Agree (iii) Neither (iv) Disagree (v) Strongly Disagree

**(5) I have been offered gift vouchers and free tickets on my personal credit score.**

(i) Agree (ii) Strongly Agree (iii) Neither (iv) Disagree (v) Strongly Disagree