

# Case study of electronic appliance company onida



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## **Introduction**

Management is a vast subject which can be thoughtfully executed and implemented at workplaces to establish further in the selected field.

Management has various wings and one such important is Operations Management which requires lot of analysis about the quality of the resources that are used to attain the end product. Customer satisfaction and requirements contribute a lot to the Operations Management.

In this module, we have chosen Onida, a leading electronic appliances Company as a reference for Case study and will be analysing the quality and effectiveness of the system with various evaluation techniques and methods. Meanwhile, we would also look into the history, philosophy and the areas of improvement of the company in detail in the coming sections.

## **History**

Onida, initially was started to manufacture television sets for entertainment purpose by Mr. GL Mirchandani and Mr. Vijay Mansukhani in the year 1981, in Mumbai. Now, eventually with lots of other types of electronic devices in their manufacturing units, it has become one of the reputed electronic appliances producer and distributor which have operating wings in many countries other than its home land, India.

The leader's thinking and approach towards the customer requirements drove them to manufacture many other household devices and that is how the production of other appliances like microwave ovens, air conditioners, LCD TVs, DVD Players, Washing machines etc came into existence in the company.

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The management team had to meet the market requirements and therefore introduced manufacturing of these devices that are used by the population in a large scale to fulfil their daily household activities with ease and comfort.

Onida TVs were branded as the best TV by the customers when compared to other sets in the market because of their exclusive sound technology that was used in the manufacturing units. Audibility and good vision were synchronised by Onida Company in the TV sets they designed and manufactured. Introduction of LCD TVs was also based on the same theory and therefore they managed to keep up the good work at this stage too.

(Onida, 2010)

### **Task 1. a. Compare the different quality philosophy, systems and approaches of Onida Group of Companies with that of Videocon Group**

Operations Management is a specific subject in Business Administration that deals with the production of goods or products by using minimal resources and the main task of OM is to increase the sales and productivity of the goods and achieve high performance business system in the market.

Operations Strategy is the main technique included in OM and is characterized by these five principles. These can be explained as below:

The End-Product: This is the first and foremost principle of any organisation.

With latest technological inventions, the enterprise must look into the productivity of the devices considering all the constraints related to the industry type. Pricing and device configuration also comes under this strategy process.

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**Manufacturing Unit:** This is about the manufacturing set up, its placement, location and technical involvement of installing an advanced plant with all the manufacturing aids. This should also include maintenance departments as a main strategy while planning.

**Systems and procedures:** This involves the workforce allotment and usage of all new technologies to improvise on their product. Technically experienced professionals are to be recruited for better performance. This strategic process involves the timing required for manufacturing and distributing the end product to the retailers and distributors. This process demands lots of alterations and adjustments in the system to work efficiently. This is usually done by a team of proficient Executives of the organization.

**Programs:** This involves designing, manufacturing and letting these products them into the market for distribution purposes. All these have to be together in-line for a better performance. This is taken care off in this method.

**Customers:** This is the ultimate place where the manufactured product has to reach and the purpose of its development must be completely evaluated.  
(Operations Management)

Onida Company evaluates all of these strategies to build a strong business establishment and now it is one of India's leading electronic devices manufacturers. For comparing the quality, philosophy and approaches of this leading company, we are considering Videocon Group, Onida's oldest and competitive rival in the Indian market. Videocon is an India based company which manufactures and distributes house-hold commodities to various parts of the world.

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Videocon Group is the first electronic enterprise that introduced frost free refrigerators to the consumers with many other innovations like flat picture tubes for Black & White TV's and washing machines were separately categorised as an important household product that was very useful to a major group of customers in India.

Videocon followed these strategies to grow up as a giant company in India and the important being listed as below:

Effective economical analyzation

Distributed retail setup

Introduction of many other products and inclusion of other brand appliances to the Group has also served as one of the efficient strategies to build up their business. (Videocon, 2009)

Videocon Group has evaluated many strategies that deals with structuring of management modules for its various operations like manufacturing of the product, distributing them, customer and client services. It has excelled in all the above fields and has evolved as one of the leading technological innovative electronic appliances showroom in India and abroad. Videocon also has investor relationship with many companies and individuals across the world.

However, both Onida and Videocon groups have their own set of operating management strategies to look into their processes effectively.

An easy representation of Operations Management system in any organisation can be schematically shown as below:

(Organization as an OM system)

A brief description of Organisation Management is discussed in the below section before we tabulate the differences of Onida and Videocon Group of Companies.

Operations Management in simple words is a subject that deals with production and distribution of products and services to the customers which also is concerned with many inventory quality control procedures that are required for the efficient operation of the organization.

A simplified way of understanding Operations Management can be as below:

Factors influencing the production and manufacturing units should be analysed.

Deciding on the operative factors and objectives that influence both timing and profits for the organization

Design a model or flow chart to fulfil the objectives of the organization

Gathering of details and abstracts related to the process

Formulating another alternative for the same structure, this is done to be on a safer side. This comes into picture when there are problems in the existing OM system.

Evaluation of these alternative procedures and selecting the most appropriate one for the organizational structure will help for the effective functional flow of the enterprise without any hindrances.

Though both the organizations are into the same field of business, yet they have different strategies and marketing management techniques to implement and prosper in this business world. It would be rather easy if we tabulate the differences and analyze them further.

Here is the table that clearly indicates the different approaches towards the operations management by the companies:

## **Onida**

### **Videocon**

#### **Values and Principles**

Onida products are created and developed for the customers, their sincere inclination towards the global environment has contributed to its success. They consider the customers as their greatest strength and strive for their excellent service.

Videocon Group has excelled in the field of Consumer Electronics with the introduction of innovative products, improvised technological usage in the development of appliances for easy interface operations for the customers.

#### **Quality improvement**

Quality improvement is an ongoing procedure in any organization for that matter, and even for Onida too at its manufacturing plant located at Wada in Mumbai. There are constant innovations in the field of house-hold electronic

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appliances taking into consideration all the competitive corners in this business field. One such instance that illustrates its quality improvement technique, is the reduction of time taken to manufacture a colour TV from 20secs to 12 secs and this increased the manufacturing of television sets to 1. 2 million as against 0. 5 million in the previous year.

Videocon Group utilises product innovation technique to improve its quality through various personalized tactics such as quick response to the changing electronic world, flexible plans and methods to fix the needs of the present day customers etc. Merging with major reputed brands for improvisation is one of the beneficial strategies for Videocon Group of Companies. Its telecommunication based projects was a great step towards the upliftment of the company in the business field. Its distribution centres located at various parts of the world has also contributed to its success.

### **Management techniques for the success of the organization**

Quality is the main means for the success of Onida company with various marketing strategies included in the organization. Research & Development department constantly works on improvisation techniques and therefore this group of companies have been listed under the lowest failure category in the field of electronic products manufacturing companies in India. Quality Assurance is the important key for success of Onida Group of Companies.

Videocon started manufacturing their own parts such as compressors for refrigerators, glass picture tubes for TV sets and motors which were considered as the major breakthrough for the success of the organization. It has an integrated business circuitry operation all over the world and this



enhances to all its new ventures and developments. Whereas intellectual marketing strategies and supply chain management is the key for success of Videocon Group.

Onida, 2010

Videocon, 2009

This is a brief explanation of the main operations management principles of both the companies that is used as reference for case study in this assignment. It is dealt in detail in the forthcoming tasks.

## **Task 1. b. Evaluation of techniques and their impacts on the Organisation's Success**

We would first take up Onida for the evaluation purpose and here are the new innovative marketing plans that were introduced in the market to delight the customers.

Onida's catchy statement " Neighbour's Envy, Owner's Pride" has really proved the existence of the company in the past and the present years. Onida has become the most preferred house-hold product brand of many customers world-wide and has witnessed success by continuously contributing to the world of consumer electronics. Some of the key points about the company's achievement can be listed as below:

Introducing Onida Products in Nepal: The stepping of house-hold commodities in Nepali cities is definitely a breakthrough for the company's enlargement. It has stunned various customers world-wide and it is the turn to attract the customers in Nepal. (Onida Electronics)

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Modifications in the manufacture of washing machines: A scrubber installed within the washing machine to wipe off the stains on shirt collars and cuffs would be more helpful and easy way to wash off the dirty stubborn chunks on the clothes for the consumers. This innovative idea would definitely be a hit among the consumer group and it is said to reach the customers for an affordable range of Rs. 10K-Rs. 18K.

Insertion of repulsing insects and mosquitoes element into mobile phones is one of the efficient marketing plans that were followed by Onida Group.

Watching picture clips and movies on LCD TV through USB devices is amusing news to the customers.

Talking air conditioners that inform about the power saved is an exciting innovation by R&D department of Onida Electronics.

Simple and accessible mobile sets for the customers

Launching of Online Shopping facility in India has made the work of customer's selection and purchasing very much easier and faster.

All of these marketing strategies have increased the net profit of the company through these years and the sales are expected to go up by 30-40% this financial year according to the Chairman of Onida Electronics, Mr. Gulu Mirchandani. With more than 5000 employees, Onida has become one of the leading producers of electronic goods in India and abroad. Initially, Onida was into the manufacture of Television sets, but as time passed and the demands and needs of the electronic goods increased, they introduced a vast range of appliances like microwave ovens, air conditioners, projectors, <https://assignbuster.com/case-study-of-electronic-appliance-company-onida/>

mobiles, display products and many more into the market and endeavoured the consumers. (Onida, 2010)

In this part of the article, we are discussing some of the critical and important marketing plans applied by Videocon Group of Companies to excel in this business world.

Videocon offers a varied range of entertainment and information related products to the customers and has also stepped into the telecommunication field with the insertion of mobile services in India. Videocon Mobile services introduced 1p/sec ISD calls making it easy and affordable to call their near ones residing in various parts of the world. One paisa per one second calling card voucher is introduced at a cost of Rs. 57 with 30 days validity for easier transaction purposes. Whereas customers can call their friends and relatives in Singapore and Malaysia with a calling rate of 1. 69Rs per minute.

(Videocon News, 2010) This definitely has cut down tremendous charges on post paid connections and customers usually prefer the faster and easily connecting calling cards. This has contributed to the success of Videocon Mobile Services globally and the company is expected to rule the electronic world in the next 3 years according to Mr. Venugopal Dhoot, Chairman of Videocon Group. The company intends to increase its profit from mobile services wing by 2013 by investing Rs. 14K crore in building up communication towers in more than 700 cities in various parts of India. (Cellular News 2010)

Videocon Group of Companies in conjunction with Japanese enterprise has set up a new manufacturing plant in Kolkata, India that develops monitors

and display units for their LCD and other flat screen television sets. This strategy has helped them to achieve further in this field of consumer electronics. (Videocon Joint Venture Plans)

Building up of new operational plant in Uttaranchal, India is one of the biggest ways to strike the customers in North India and this has reduced the time of distribution and this was one of the cutting edge strategic plans to increase their sales in northern part of India. (Construction plans for proposed home appliances plant)

Videocon Group of Companies with more than 3.5 billion US\$ holdings is a variety producer of electronic goods that also has international factories located at Mexico, Poland, China, Italy etc. The picture tube manufacturing plants acquired from Thomson group of companies came as a boon to Videocon as it increased the productivity range. Oil and gas sector of Videocon Industries yields more than 50K barrels of fuel in one day and is awaiting to explore many more such opportunities in various other countries like Nigeria and Ukraine. (Business Profile, 2010)

### **Task 1. c. Suggested areas of improvement to increase quality and competition in the existing world of Consumer Electronics**

Both the companies must aim at building a world class manufacturing plants and introduce latest technology in their R & D departments for them to excel in this field of consumer electronics.

The marketing plans, supply chain methods, strategic planning processes must be evaluated at possible intervals to know where they are lagging

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behind and they must introduce their products by advertising them in an attractive and simple way to the customers through various display modes like TVs, radios, banners and bulletin boards at various outlets and impress the customers upon buying them. This is called the ultimate marketing strategy and this will definitely help the company to move forward.

Various other fields that require intervention of these leading electronic companies must be identified and introduced in their local areas to facilitate the consumers. Like setting up of more number of distribution units in that particular area where the sales is more likely to reflect on the net profit of the company.

A practice of continuous improvement on management processes and procedures will definitely yield good results on profits and company turnouts.

Onida group of companies revolutionized various innovative ideas on the designing and enhancements and changes brought about in already existing products have amplified their victory in the field of electronics.

The instant 5speed iCool technology used in the manufacture of recent air conditioners saves lot of energy and electricity for the users.

DVD player's compatible with USB devices like pen drive has marked the improvement of technology.

Ultra Slim colour television sets has given a glorified look at homes and has efficiently reduced the space consumed for the placement of television sets at display cabinets.

Introduction of Onida Sparkle Washing Machines have efficiently reduced the consumption of water used for washing purposes by over 30%.

Auto cook menus and calorie reader on microwave ovens is an innovative fresh idea which focuses on health issues of the people and invention of iCook cookers which uses magnetic induction technology has made cooking funny and faster than before.

Mobile sets with various useful services and an attractive wide screen has also proved its intervention in the field of telecommunication. (Annual Report, 2010)

Taking into considerations of all the innovative and creative products, Onida company has to look into attractive marketing and advertising strategies to grow further in this field. Global expansion of the manufacturing and distributing units will be an added advantage towards the improvement of the company. With new creative ideas Onida has to expel all its business rivals and go ahead in this field of competitive world to succeed further.

## **Task 2. Reflective Report on Quality in Operations Management**

Quality management must be a total combined idea of all the employees of the organization for it to outshine. The flow of ideas should be from workers to the Managers. Quality Assurance Managers have a greater instinct of contribution towards the company's upliftment and it demands constant reviews and changes periodically. The ideas and views collected must be put forward to outstrip the company's success in the business world, as this will also help in professional growth of the individual managers.

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Improvement in quality will gradually increase the yield and this leads to the creation of more number of job vacancies in the employment sector and also decreases the price of the commodities available in the market. This will contribute to the net profit of the organization and with various evaluation techniques, quality can be improved. Some of the methods to increase the total quality of the product can be listed as below:

Developing a project plan that reflects the vision, mission and philosophical values of the organization.

Adjusting to the new plans and ideas at the earliest

Continuous reviewing of the system plans and processes

Working on the incorporation of developmental plans for the employees of the company.

Emphasize on learning new technology related subjects among the employees and help them directly to get involved in quality improvement activities.

## **Quality and total quality management**

Various learning outcomes are evolved as and when we came across many strategic processes from two different companies. Businesses keep an eye on all the competitive methods and strategies to stay ahead in the competition. Each process is considered as an operation that is required for the company's existence and the management of all these combined plans and strategies is called Operations Management. Theoretical knowledge

about this subject of management will help the Professional in evaluating the methods in a more practical way. Live practical updates on all the managerial subjects will help for the efficient functioning of the management team.

Development of many production units in other global locations will be an added advantage for the company to grow further. Launching of other electronic household appliances like vacuum cleaners, home theatre systems etc have also proved beneficial for the company's profit and sales. All these have been a total result of efficient management skills and techniques. A greater contribution by the employees of the company to strive for the customer satisfaction has led to the success of Onida Electronics Limited. It has been distributed to various leading supermarkets at renowned global cities and this has expanded its business variably. High-end electronic appliances are made available for the customers world-wide that has increased the global profit by 16%. (Onida, 2010)

Visualisation and thinking skills are very much essential for a manager to be an integral part of management team. Management skills coupled with financial customisation becomes important for any Manager. Technically experienced employees are recruited for the project according to the requirements and this helps in boosting up the business and help a major group of professionals to excel in their respective fields.

Short-term profits and are to be considered as an important matter by the management team as this will really help in keeping up the quality of the product intact. The other threatening indecisive activities in the team that



affects the project are changing jobs by managers, costs and other contingencies on recruiting new employees for getting the work done and delays in decision making.

(Industry Analysis)

Industry Analysis becomes important for any organization and a simple flowchart shown above will explain that concept in detail in the below section pertaining to Onida Group of Companies.

In my opinion, there are certain concepts that Onida has to be aware of when competing in this business world with other fellow rivalries.

Onida group has to be aware of all the new entrants into the market, and still produce results that keep them leading in the market.

The organization must be aware of false websites and marketing strategies used by fake people to cheat the customers and let them know about this. This will otherwise spoil the reputation of the company in the market.

Supply chain management, this is one of the critical core competencies for any company and Onida is either not an exception for that instance. There are varied number of suppliers and distributors in the list for Onida Electronics, but it really becomes difficult to pick the right one that is both reasonable and affordable. This is a real challenge to the Export department of the enterprise.

Manufacturing materials availability is one of the main factors for succeeding in any field. Getting the relevant materials required for producing the goods is very much important for yielding good results.

Customer satisfaction and services is a constant ongoing processes in the present day as there are ' n ' number of companies heading up in the market that may become more appealing and convincing to the customers. So, it has to be a very important factor as the customers are the mainstream of achievement in this competitive industry.

Environmental changes and climatic variations have to be considered by the production units before manufacturing and dispatching the appliances to that particular country or region. This becomes a challenging task to the organization as they have to consider all the sustainability factors.

Focus on different fast moving items in the market, it must be observed and introduced in their curriculum without much delay by the concerned department as early as possible and must flourish in that particular area.

Following up of all the needful data time to time will help in organizing things in a better way. This should be followed at regular intervals.

Reporting is an essential tool for operations management, as there is a scope for improvement always when the previous reports are considered and reviewed. This would even be helpful to avoid the mistakes to repeat in the management processes.

Faulty products while manufacturing is one of the biggest threats to the electronic industry, but there should be minimal units with faulty conditions  
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though it cannot be ruled out completely, at least the number of faulty products must be reduced by increasing the efficiency of the machines and the workers at the manufacturing plant.

As a Manager, these tasks have to be performed dutifully and loyally to ensure the leading position of the company. Proposals and predictions are to be made at the right time.

Right administration guidelines lay down by the management team and strict adherence to those rules and regulations in the company, is essential for any enterprise management system to work efficiently.

(Enterprise Data Management Report, 2008)

This becomes one of the most and foremost rule for any enterprise to survive in this challenging business world which is always sustained to quick changes and responses from all over.

## **Conclusion**

As discussed in the previous sections, Onida Electronics Limited has a varied selection of consumer goods and commodities that are helpful to common people with many new technological innovations in each of the products they manufacture. They are reached to the customers in a more efficient way. They still have many areas of marketing and expansion of their business globally to improve and beat the heat of this industry type. Many strategic plans and dynamic ideas were discussed as the learning outcome of this research assessment. The organization can make use of such supply chain management strategies to improve further.

This is the age of technology where you can find electronic items in the hand of pre-schoolers too. So providing a compatible and durable goods to people of all age group is a challenging task to any enterprise, be it a small one or a bigger organization.

For organizations like Onida and Videocon, an extra vigilant job would be to maintain their standards at least if they are not improving. Because consistency, confidence and faith in the eyes of the customers and the retailers is very important matter to consider.

It is really vague explaining the operations management process in just words, it is rather a huge practical procedure that has to be followed by the management team to excel in their particular field. This case study however gives an appropriate knowledge about the theoretical skills required for supply chain management, but however requires lot of analysis on present day conditions of the business.

There are visible differences in marketing, promotions, pricing, product designing etc between Onida and other Consumer Electronic organizations. However, each company should stick to their strategies and targets to remain as a leader in this sensitive and challenging market. This documentation is of great help to the enterprise in reporting and considering changes if any required. This abstract has relatively shown the differences between the two giant companies of Consumer Electronics. There is further scope of improvement for either of them to cherish and flourish in this competitive world of business.