

*An Organization Study Report of*  
**IFB INDUSTRIES LIMITED**

*Submitted by*  
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USN : 1CR19MBA85

*Submitted to*  
**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**



*In partial fulfillment of the requirement for the award of the degree of*  
**MASTER OF BUSINESS ADMINISTRATION**

*Under Guidance of*

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Associate Professor  
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**CMR Institute of Technology**  
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**Class of 2019-21**




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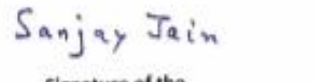
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### CERTIFICATE BY THE INSTITUTION

This is to certify that **Ms. STELINA P** bearing **USN 1CR19MBA85** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **IFB INDUSTRIES** is prepared by her under the guidance of **Mrs. Preksha Yadav**, Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.

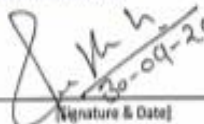
  
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Bangalore - 560037

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## **DECLARATION**

I, **Ms. STELINA P** bearing **USN 1CR19MBA85** hereby declare that the organization study report of **IFB INDUSTRIES LIMITED** prepared by me under the guidance of **Prof. Preksha Yadav** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru. I also declare that this report is prepared in partial fulfillment of the university Regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University, Belagavi. I have undergone an organization study for a period of four weeks. I further declare that this report is based on the original study undertaken by me and has not been submitted for the award of any degree/diploma from any other University /Institution.

**Place: BANGALORE**

**Signature of the Student**

**STELINA P**

**Date:**

**USN: 1CR19MBA85**

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**Place: BANGALORE**

**Signature of the Student**

**STELINA P**

**Date:**

**USN:1CR19MBA85**

## **ACKNOWLEDGEMENT**

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I would like to express my sincere thanks to **Dr. Sanjay Jain**, Principal of CMR Institute of Technology, Bengaluru for his valuable support and guidance throughout the course of organization study.

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**Ms. STELINA P**  
**USN: 1CR19MBA85**

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## Executive Summary

In today's modern world every company wants to compete with others to remain in the market. So it is necessary for the company to analyze and know the needs and wants of the customers. It is very important for the company to know which product is preferred by the company on what basis.

The objective of this report is to give a brief over view of the IFB Industries profile. In order to function efficiently and effectively every organization has a functional department. It's important to divide departments so that the work can be divided into units and divisions. The various departments of IFB Industries such as, Human Resource, Finance, Marketing, studied under this project.

The project has few good methodology to study different essentials of the IFB Industries such as SWOT analysis i.e. strength, weakness, opportunity and threats within and outside organization, Porters five forces model and Mckinsey's 7's.

And the various divisions of IFB Industries such as, The Home Appliances division, The Agro Limited, The Automotive Private Limited, The Fine Blanking Division.

The purpose of this project is to study and understand the organization as a whole and to know how exactly the various departments functions in an organization. It also stimulates and helps to understand the work environment better. The study assesses the performance of the organization and examines the changes in environment. The project gives the over view of the IFB Industry i.e. the Manufacturing Industry.

## IFB Appliances



<b>Type</b>	Public company (NSE: IFBIND) (BSE: 505726)
<b>Industry</b>	Consumer electronics Home Appliances
<b>Founded</b>	1974; 46 years ago
<b>Founder</b>	Bijon Nag
<b>Headquarters</b>	Bangalore
<b>Website</b>	<a href="http://ifbappliances.com">ifbappliances.com</a>

**CHAPTER-1**  
**INTRODUCTION AND INDUSTRY PROFILE**



## Introduction

IFB Industries Ltd is an India-based company. The company is engaged in the business of manufacturing of fine blanked components, trading of home appliances and steel products. They operate in three segments, namely engineering, home appliance and others.

The engineering divisions are located at Kolkata and Bangalore. The company's product range includes fine blanked components, tools and related machines tools, such straighteners, decoiler, strip loaders and others. They also provide household appliances, including washing machines, dryers, microwave ovens, and dishwashers. In addition, they manufacture motors for white goods and automotive applications.

IFB Industries Ltd was incorporated in the year September 12th, 1974 as Indian Fine Blanks Ltd in collaboration with Hienrich Schmid AG of Switzerland. The company was established with the objective of manufacturing fine blanking tools press tools and fine blanked components used in a wide range of precision engineering industries. In the year 1985, the company took 4.84 acres of land on lease at Gangarampur in West Bengal for the manufacture of high technology machines as well as for future expansion-cum-diversification programmes. In the year 1988, the company set up a new division, namely Project and Construction division to take up projects abroad as well as in India.

In addition, the company in association with P A Rentrop Hubert and Wagner GmbH & Co KG West Germany set up a joint venture company called RHW India Pvt Ltd in India for the manufacture of automatic seat adjustment mechanism. In the year 1989, the company entered into collaboration with Bosch-Siemens Hausgerate GmbH, Germany for production of fully automatic washing machines and for the manufacture of the state-of-the-art domestic appliances. The company changed their name from Indian Fine Blank Ltd to IFB Industries Ltd with effect from July 19, 1989.

The company set up a company called European Fine Blanking Ltd at Wrexham in North Wales, UK with their European partners for the manufacture of fine blanking tools and components for the UK and other European markets. In the same year, RHW India Pvt Ltd became subsidiary of the company and the name was changed to RHW India Ltd. RHW India Ltd entered in a joint venture agreement with Electrolux Autoliv AB (Sweden) for setting up a joint venture company for the manufacture sale and export of automotive safety belts and accessories. In the year 2000, the company launched their new fully automatic washing machine Senator in the Kerala market.

During the year 2002-03, the company launched a highly sophisticated washing machine IFB Digital with advanced features in line with the latest international models. In addition, they introduced a new range of Microwave Ovens. The company

added 250 Nos of retail outlets in different parts of the country. During the year 2003-04, the company launched the new model washing machines Elena and new model dryer Easy Drier. In addition, the engineering factories at Kolkata & Bangalore have been certified as QS9000 by DNV. During the year 2005-06, the company launched the new economy model washing machine DIVA and high-end model.

DIGITAL 7 kg. During the year 2006-07, the company introduced two new models of microwave ovens and started sourcing of industrial dishwasher. During the year 2007-08, they introduced Top loaders and one new model microwave oven. the year 2017, the company invested in its subsidiary, Trishan Metals Private Ltd and acquired 51.12% equity shares of the same. Global Appliances & Automotive Ltd. (GAAL), a wholly owned subsidiary company acquired during 2017-18 and stepdown subsidiary, Thai Automotive and Appliances Ltd. (TAAL).

## **Company profile**

IFB Industries limited originally known as Indian Fine Blanks Limited started their operations in India during 1974 in collaboration with Hienrich Schmid AG of Switzerland.

IFB Motors is a part of USDÂ 600 million IFB Group of Companies with business interests in Automotive, Appliances & Agro products. IFB Motor Division was started in the year of 1993 in collaboration with Siemens, Germany to manufacture FHP Induction cum Series Motors for washing Machine application.

We at IFB are pioneers in the design, development and manufacturing of Electric motors for various applications in Appliances & Automotive areas. For customers, suppliers and manufacturers, IFB stands for quality, innovation and foresight.

We are one of the largest manufacturers of universal motors for use in fully automated front load washing machines. We have developed BLDC motors for use in top loading, front loading washing machines & also for E-Vehicles. Our other electric drive products include Permanent Magnet DC Motors for Engine cooling (ECF / Radiator), Cabin cooling (blower motor), & Window lift motor.



Our core competence lies in our dedicated Research and Development Centre, which strives to develop technologically advanced and superior products in pace with international innovations. All the products are designed keeping in mind the stringent energy regulations & safety requirements. Most of our products are successfully tested / used globally by various OEMs. Our products are at par with international quality standard. Our prices will be most competitive, our deliveries and service will be at par or better than the best from other suppliers.

IFB has complete testing and validation facilities. IFB has the capability of performing the motor & system level testing. These facilities adhere to global standards. In addition to testing and validation during development, we also conduct planned COP testing and monitor product performance on a regular basis.

Our manufacturing facility is based out of Bangalore.

**CHAPTER-2**  
**ORGANISATION PROFILE**

## **Background**

In today's fast paced world, there's hardly enough time to do everything your heart desires. Keeping time for a hobby or taking time off to rekindle old indulgences seems practically impossible. Imagine if there was a way to turn this around and if we could help you make more time for yourself?

At IFB, we want to liberate you from all the dull and time consuming household chores and help you to make quality time for all the things in life that really matter.

Our range of home appliances and the laundry, kitchen and living solutions we design are all designed to help you spend more time doing whatever you really want to do – while leaving the hassles of household chores to our solutions.

The Value System that will leave by are as follows

### **For our customers**

To offer them the best product to buy, an innovative product that constantly outperforms peer and outstanding service that makes every customer smile.

### **For our Employees**

To provide them with an environment in which every individual learns, grows and prospers.

### **For our Business Partners**

To enable them to consider IFB's products and services as their first choice.

### **For our Investors**

The Company should be acknowledged as the one with the highest degree of corporate transparency; that delivers on the promises given to its shareholders.

## **Contemporary Design, Great Functionality**

We have mastered the art of developing home solutions that fulfil your needs. From the kitchen to the bedroom and to the laundry room - our designers and product developers focus on solutions to get rid of your everyday hassles of washing clothes, cleaning dishes and cooking food and transform these into a pleasant experience leaving you to enjoy other things that you love to do.

IFB also has a wide service network that spans the length and breadth of India. We ensure that we take good care of our customers and their products, by providing a prompt and pleasant service experience.

## An overview

We at IFB Appliances, along with our associate companies and divisions, celebrate over four decades of technical excellence. We have always represented the leading edge of technology - which has been manifested through our products and service solutions. We have always tried to consistently and positively touch people's lives.

## Nature of Business



**Regular Process:** It is an activity which is performed repeatedly to generate profit.

**Economic Activity:** The whole sole purpose is maximising wealth.

**Creates Utility:** The goods or service must be such that it creates form utility – conversion of products in a consumable form, time utility – making the goods and services available when needed; and place utility – availability of goods or services wherever required, for the consumers.

**Capital Requirement:** Any venture requires fund depending on the size and its type.

**Deals in Goods and Services:** It is related to manufacturing and offering goods for sale or catering services.

**Risk:** All businesses have a risk factor or uncertainties of failure and loss.

**Profit Earning Motive:** The initial motive of a businessman is making a profit out of his venture.

**Satisfaction of Consumer's Need:** It is concerned with the fulfilment of the customer's demands and needs.

Involves Buyer and Seller: There are majorly two parties involved, the customer and the merchandise.

**Social Obligations:** It has some social responsibilities, like creating job opportunities, dealing with licensed products, etc.

## Vision & Mission



### Vision

IFB will be synonymous with Innovation & Technology in its chosen fields of business activities. IFB will excel in Quality & Services to be in consonance with Global Standards.

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### Mission

Our mission is to create and deliver high quality and innovative products that will contribute to our customer's success and deliver value to our shareholders.. We shall provide complete solutions through our system capabilities in design, analysis, development, testing and validation.

We are committed to environmental preservation and social responsibility.

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## **Quality policy**

To supply products that will exceed customer's expectation due to excellence through perfection in quality and service. "To maintain an environment for teamwork and continuous improvement, leading to total quality in all activities of the organisation".

## **Environment Policy**

We at IFB are committed to protect the environment & prevent pollution by adhering to all applicable environment legislations and regulations by adopting the following,

- Pollution prevention techniques in manufacturing.
- Conserving all natural resources & energy.
- Achieving continual improvement in environment performance.
- To provide a clean working environment to our employees.

## **OUR GUIDING PRINCIPLES AND VALUES**

### **Our software products and services meet the highest quality standards.**

- We develop cutting edge business and technical solutions that set new standards in the market.
- We combine our interdisciplinary expertise and experience in the area of financial and risk management with a holistic view of enterprise architecture, technology know-how and implementation strength.
- We continuously update our expertise, our services and our IT products.
- When designing and implementing solutions, we always focus on profitability and transfer the required knowledge to enable our clients to develop on their own.

### **We provide a reliable team from concept to implementation.**

- We manage our concepts through to full implementation with a stable team.
- We value team spirit and authentic constructive teamwork together with our clients.

- We focus on the individual situations and needs of our clients, business partners and team members and grow with each project together.

### **We make room for motivation, creativity and long-term perspectives.**

- We approach each other and our clients with openness, respect and integrity.
- We are driven by an entrepreneurial mindset, curiosity, creativity and team spirit.
- We provide our clients and our employees with long-term perspectives.
- We promote the interests and skills of our team members so that they can forge ahead with their projects and professional development with enthusiasm and motivation.
- Our multiculturalism provides us with know-how and creative impulses.

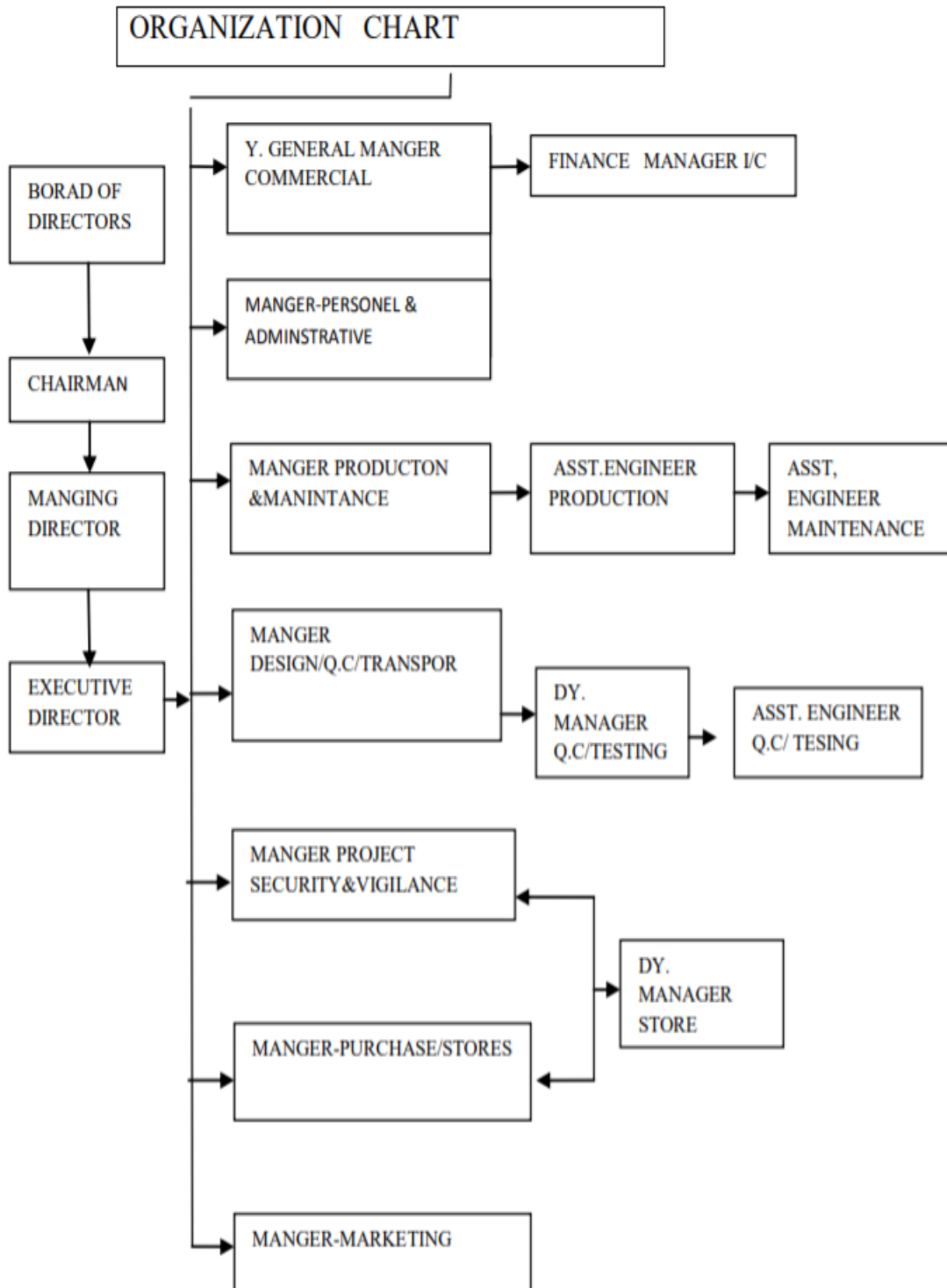
### **We value reliability, responsibility and trust.**

- We speak our clients' languages and value transparent communication, which inspires trust and ensures smooth processes.
- We share our knowledge and always focus on quality.
- We assume comprehensive responsibility for tasks and coordinate them in the team.
- We stick together and give each other the support needed to master professional and personal challenges.

### **We view dynamics and change as an opportunity for development.**

- We are open to change and see it as an opportunity.
- We recognize new issues at an early stage and develop the required know-how.
- We continuously question our processes and strategies to improve them if necessary.

## Workflow Model



## **Manufacturing**

### **Fine Blanking An eye for detail**

Fine Blanking is a unique development in the metal forming industry that applies precision mass production techniques.

Although innovated from traditional metal stamping, Fine Blanking employs a system of machine movement, tooling and plastic deformation of metal.

Fine Blanking is particularly noted for its geometrical accuracy and close tolerance of metal cutting; chip forming such as milling, grinding, shaving, broaching etc; combined with the productivity of metal stamping operations. There have been several technological breakthroughs both in tool making and press manufacture, most revolutionary is the development of Electro Wire Erosion Machines and CNC Controlled Presses. Fine Blanking technology has created niche requirements in the automobile industry for the production of high precision parts for engines, transmission parts, braking systems, door latches, window lifters, gearboxes etc.

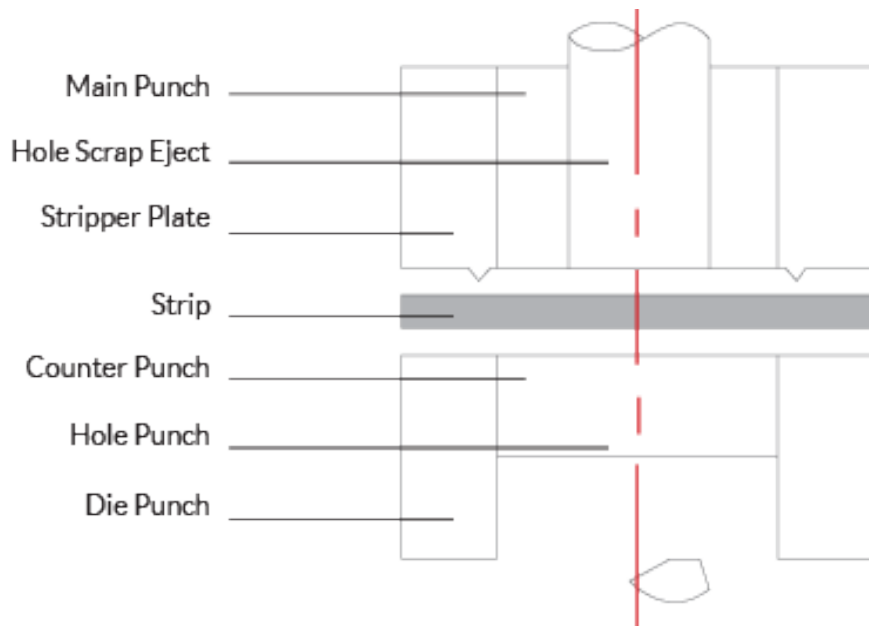
The ability of the technology to produce 100% shear edges with extremely close tolerance has been recognised by industries such as switchgears, compressors, 2-wheelers, aviation and many more.

### **Micron Obsession**

The micron is a unit of measure invisible to the naked eye. But when the entire Company is obsessed with micron perfection in everything it manufactures, it's easy to understand why the most demanding automotive manufacturers depend on IFB engineering.

- Tool in open condition along with strip ready to be cut
- Bottom moves up and tools closed. Ring groove and counter forces activated
- Blanking Force activated and material being cut to produce part. Ring Groove and Counter Force still remains active
- Bottom moves down and tool in open condition
- Ejector Force activated. Strip and slug ejected

- Part Ejected



## **What makes IFB the No 1 choice**

- IFB business processes meet all international standards. They are well-defined, clean and simple, with transparent articulation of responsibilities.
- We deliver the advantages of Fine Blanking to all our clients—
- Lower cost
- Higher precision
- Faster cycle times
- Better component performance and reliability
- IFB products have 100% compliance with every single international quality standard.

## **Designing Facilities Equipped to excel**

- IFB invests regularly in infrastructure upgradation to maintain its leadership in technology.
- All of the Fine Blanking presses are supported by excellent, up-to-date tool room infrastructure comprising Jig Boring, Jig Grinding, CNC Wire Cut Machines and Special Milling Machine for Ring Groove Machining.
- IFB's engineers are specialised in tool design, tool making and manufacturing systems and their skillsets are constantly upgraded in the field through training and exposure to customer needs.
- The tool design section is supported by a CAE Station to optimise design. The organisation carries out advanced computerised stress analysis to find solutions to customers' issues.
- The Company deploys high quality utility services, material handling and storage systems to ensure reliability in production systems and achieve a high degree of productivity.
- IFB practises advanced workshop management systems for continuous improvement.

## **IFB's manufacturing process**

### **INPUT**

#### **Planning:**

- Customer Inputs
- Benchmark Data
- Product Reliability Studies
- History

#### **Product Design & Development:**

- Design Goals
- Reliability and Quality Goals
- Preliminary BOM, PFC, SCs & CCs List

#### **Process Design & Development:**

- DFMEA
- Design Reviews & Verification
- Prototype Builds
- Control Plan Engineering Drawings and Specifications
- Facilities Planning
- Team Feasibility Commitment

### **OUTPUT**

- Reduced Variation
- Better Customer Satisfaction
- Efficient Delivery and Service

#### **Product & Process Validation**

- PFMEA
- Process Flow Chart

- Floor Plan Layout
- Pre-launch Control Plan
- SOP, MSA, SPC Packaging Specifications

### **Feedback, Assessment, Correction**

- Production Trial Run
- MSA, SPC, PV Testing
- Packaging Evaluation
- Production Control Plan
- PPAP & PSW Sign Off

### **A Heat Treatment**

**IFB has built a reputation for manufacturing high quality Fine Blanking parts and Heat Treatment services through the application of proven technologies and modern equipment.**

- IFB specialises in Heat Treatment processes such as Austempering, Carburising, Carbonitriding and Induction Hardening of high volume production components for the automotive and other industries.
- The sealed quench furnaces have SCADA control.
- Metallurgical consulting is also an important function wherein IFB achieves a high level of product quality and furnace reliability through computer-controlled atmosphere furnaces that use electronic data logging to ensure a reproducible, high quality outcome.

### **Processes Effortless efficiency**

IFB processes focused on customer profitability

Fine Blanking is a unique development in the metal forming industry that applies precision mass production techniques.

Just-in-time delivery—providing a supply source in proximity to the manufacturing facility—reduces inventories and carrying costs as well as speeding up processes.

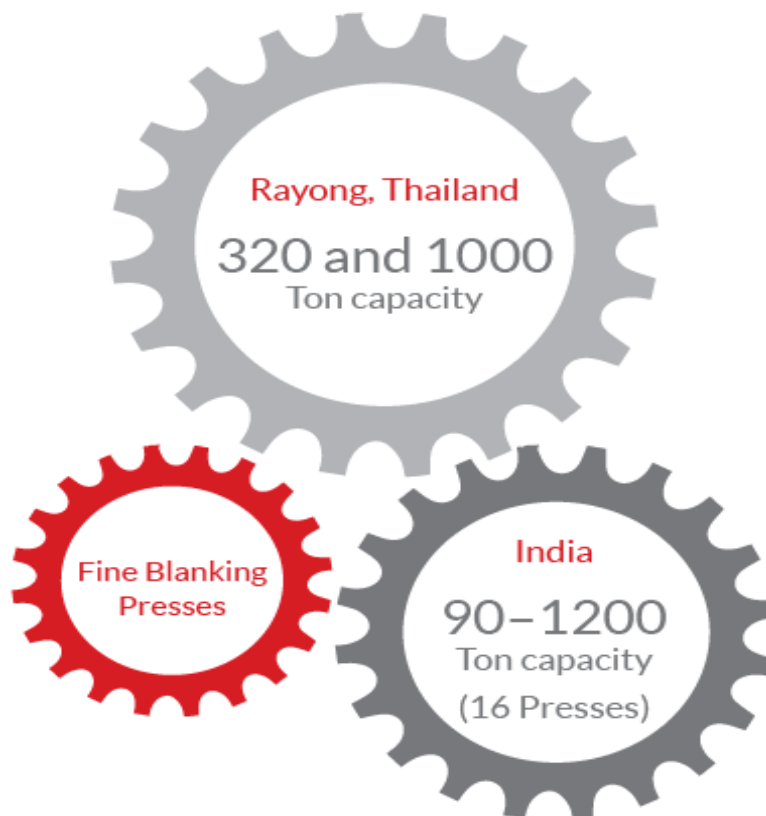
This prevents disruptions in both supply chains and manufacturing lines while



making production planning easier. That's why IFB has set up satellite plants in Chennai, Gurgaon and Pune closer to the automobile manufacturing hubs in India. The Company's 'On-Time-In-Full' parts supply helps to reduce inventory at the customer's end.

The organisation believes in investing in people, processes and technology and that has been at the heart of its pioneering leadership in Fine Blanking in Asia for over 42 years. What makes IFB the first choice of OEMs in the automobile industry is the Company's core manufacturing excellence in-house—

- Fine Blanking
- Heat Treatment
- Secondary Processes such as CNC, DD Grinding, Plasma Welding etc
- Tool Room Facility
- Design Capability
- Testing Infrastructure



## Secondary Processes

An exhaustive list of machinery enabling in-house processes ranging from MIG Welding to Plasma, Linishing, Turning, Honing, Barrelling, Riveting etc.



## Tool Room Facilities

With a world class tool room, the best Fine Blanking presses and supporting technologies, operated by highly skilled and trained personnel.

- AGIE Wirecut EDM
- Mitsubishi Wirecut EDM
- OKK Vertical Machining Centre
- Hauser Jig Grinding
- Kellenberger Cylindrical Grinding
- Jig Boring Machine
- Makino Vertical Machining Centre
- Catmore Jig Grinding



### **Computer Aided Engineering (CAE) Software Facilities**

- CFD Simulation
- MBD Simulation (Rigid & Flexible)
- Manufacturing Simulation
- Optimisation
- NVH Simulation
- FE Simulation

### **Testing Facilities**

State-of-the-art in-house testing infrastructure, invaluable domain acumen and a constant passion for excellence keep IFB at the top of clients' lists.



## **Materials The right mettle**

The Fine Blanking material should possess good cold deformation properties — higher strain hardening sensitivity.

Fine Blanking demands materials with a low elastic limit, a strength ratio of approximately 60% and high elongation.

For all practical purposes, there is no difficulty in Fine Blanking material with a carbon content of less than 0.35% and a tensile strength of 40–60 kg/mm<sup>2</sup> if it has high elongation.

We have the capability to blank material with a range from 1.6 mm to 14 mm thickness and use Mild Steel Alloys, Stainless Steels and non-ferrous materials such as copper, brass etc.

## Product Profile

### The various divisions of companies of IFB



### The Home Appliances Division of IFB Industries Ltd

The Division has manufactured and marketed home appliances for over three decades and is reputed for its forte in quality and technology led by consumer insight.



### IFB Agro Limited

The business operates in the areas of alcohol and related process derivative products, marine products, “Ready to Cook” and “Ready to Fry” foods, Aqua



Feeds. It also has an extremely unique rural retail chain called the “Aqua Shops” – the chain and the teams also work with farmers to improve productivity in the areas of rural fish cultivation.



### **IFB Automotive Private Limited**

Established in 1989, IFB Automotive specializes in manufacturing of automotive components, seating systems, door systems and automotive motors.



### **The Fine Blanking Division of IFB Industries Ltd**

With 40 years of technical excellence in fine blanking, backed by a world class tool room, advanced fine blanking presses – the highly skilled and

competent teams have made IFB a leader in the field of manufacturing of precision fine blanked components. The Division is a leading supplier to the automotive, electrical and other related industry verticals.

## Ownership Pattern

### Shareholding Pattern - IFB Industries Ltd.

Holder's Name	No of Shares	% Share Holding
No Of Shares	40518796	100%
Promoters	30373199	74.96%
Foreign Institutions	3102664	7.66%
NBanks Mutual Funds	969640	2.39%
Others	2481552	6.12%
General Public	3573859	8.82%
Financial Institutions	17882	0.04%

- Milestones
- India First Front Load Washing Machine.
- India First Clothes Dryer.
- India First Dishwasher.
- India First Smart Load Washing machine.

## Achievements

ZERTIFIKAT ♦ CERTIFICATE ♦ 認証証書 ♦ CERTIFICADO ♦ CERTIFICAT



South Asia

# CERTIFICATE

The Certification Body  
of TÜV SÜD South Asia Private Limited

certifies that

**IFB**  
Industries Limited

**IFB Industries Limited**  
No. 17, Visveswariah Industrial Estate,  
Off Whitefield Road, Mahadevapura Post,  
Bangalore, Karnataka - 560 048, INDIA

has implemented an Environmental Management System  
in accordance with **ISO 14001:2015**  
For Scope of

**Design, Manufacture & Supply of  
Fine blanked, Heat treated components and sub-assemblies for  
automobile applications & electric motors for washing machines**

The certificate is valid From **2018-09-05** until **2021-09-04**  
Subject to successful completion of annual periodic audits  
The present status of this Certificate can be obtained on [www.tuv-sud.in](http://www.tuv-sud.in)  
Further clarifications regarding the scope of this certificate may be obtained by consulting the certification body

Certificate Registration No. **99 104 00628**

Date of Initial certification : **2015-07-29**

Certification Body  
of TÜV SÜD South Asia Private Limited, **Mumbai**  
Member of TÜV SÜD Group



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TUV®



CERTIFICAT

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СЕРТИФИКАТ

認證證書

CERTIFICATE

ZERTIFIKAT



Management Service

# CERTIFICATE

The Certification Body  
of TÜV SÜD Management Service GmbH  
Trading as TÜV SÜD South Asia Private Limited

certifies that

**IFB**

Industries Limited

**IFB Industries Limited**  
No. 17, Visveswariah Industrial Estate,  
Off Whitefield Road, Mahadevapura,  
Bangalore - 560 048, Karnataka, INDIA

has established and applies  
an Occupational Health and Safety Management System for

**DESIGN, MANUFACTURE AND SUPPLY OF FINE BLANKED,  
HEAT TREATED, INJECTION MOULDED COMPONENTS & SUB-ASSEMBLIES  
FOR AUTOMOTIVE APPLICATION & ELECTRIC MOTORS FOR  
WASHING MACHINES.**

An audit was performed, Report No. **70002155**.

Proof has been furnished that the requirements  
according to

**OHSAS 18001:2007**

are fulfilled.

The certificate is valid from **2017-10-06** until **2020-10-05**.

Certificate Registration No.: **12 116 12028 TMS**.

*M. Wegmann*

Product Compliance Management  
Munich, 2017-10-07

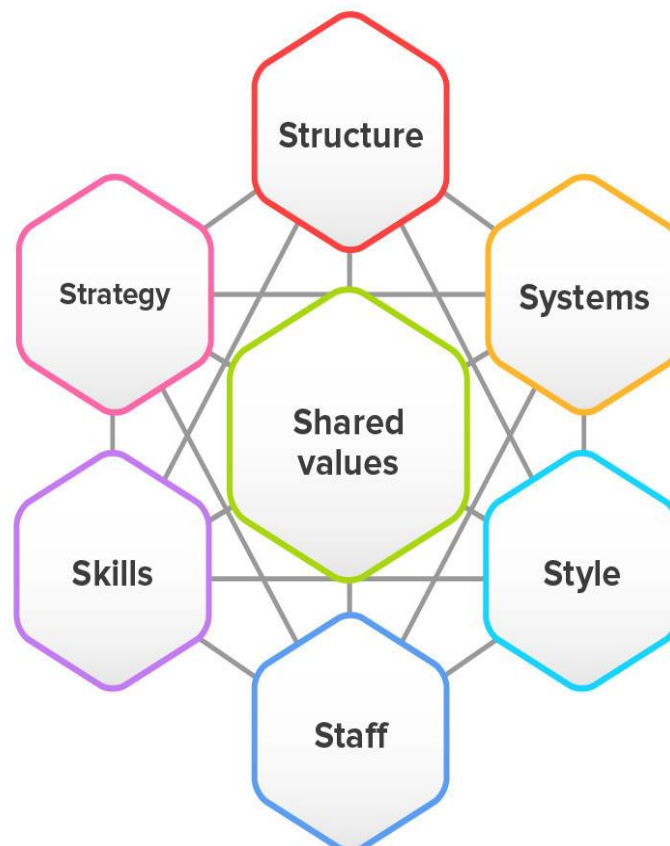


**CHAPTER-3**  
**MCKINSEY'S 7S FRAMEWORK**

## INTRODUCTION TO MCKINSEY'S FRAMEWORK

While some models of organizational effectiveness go in and out of fashion, one that has persisted is the McKinsey 7S framework. Developed in the early 1980s by Tom Peters and Robert Waterman, two consultants working at the McKinsey & Company consulting firm in United States to diagnose the causes of organizational problems and to formulate programs for improvement. The basic premise of the model is that there are seven internal aspects of an organization that need to be aligned if it is to be successful. The 7-S model can be used in a wide variety of Situations where analignment perspective is useful, for Example to help you

- \* To improve the performance of a company.
- \* Examine the likely effects of future changes within a Company.
- \* Align departments and processes during a merger or Acquisition.
- \* Determine how best to implement a proposed strategy.



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## **1. STRATEGY:**

Strategy is a plan developed by a firm to achieve sustained competitive advantage and successfully compete in the market. What does a well-aligned strategy mean in 7s McKinsey model? In general, a sound strategy is the one that's clearly articulated, is long-term, helps to achieve competitive advantage and is reinforced by strong vision, mission and values. But it's hard to tell if such strategy is well-aligned with other elements when analyzed alone. So the key in 7s model is not to look at your company to find the great strategy, structure, systems and etc. but to look if its aligned with other elements. For example, short-term strategy is usually a poor choice for a company but if its aligned with other 6 elements, then it may provide strong results.

## **2. STRUCTURE:**

Structure represents the way business divisions and units are organized and includes the information of who is accountable to whom. In other words, structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework.

## **3. SYSTEMS:**

Systems are the processes and procedures of the company, which reveal business' daily activities and how decisions are made. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change.

## **4. SKILLS:**

Skills are the abilities that firm's employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure.

## **5. STAFF:**

Staff element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded.

## **6. STYLE:**

Style represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value. In other words, it is the management style of company's leaders.

## 7. SHARED VALUES:

Shared Values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization.

### CONCLUSION

- The McKinsey 7-S model can be applied to elements of a team or project as well
- Inconsistency between some of the elements can be identified out by this classic model



**CHAPTER-4**  
**PORTER'S FIVE FORCE MODEL**



## 1. Intensity of Competitive Rivalry

The number and strength of competitive rivals in an industry impact relationship with customers and suppliers. Industries with a larger number of competitive rivals make it difficult for a company to secure loyal customers because they have more options. Cost leadership and product differentiation can be effective strategies for helping to alleviate the risks that your client may face in a highly competitive industry.

Considerations for Industry Analysis: Determine the number of competitive rivals and what they offer in terms of their product or service. Survey the competitive landscape as a whole to determine the level of opportunity you have to build successful long-term relationships with customers and suppliers.

## **2. Bargaining Power of Suppliers**

Expensive supplies and unpredictable shifts in supplier pricing impact company profitability. Ideally, your client should position themselves in an industry where there is already a number of pre-existing suppliers they can work with. If there are only a few suppliers available, it's important to ensure that those relationships are strong, and they see the value of working with your client.

If you look at a niche industry where there is a very limited number of suppliers, for example, those suppliers have massive power over pricing and quality. Since there are little to no alternatives available, a company's primary supplier has more freedom to dictate the terms of the relationship versus an industry with many suppliers.

Considerations for Industry Analysis: Find out who the primary suppliers in your industry are, how many there are, and what kind of existing relationships they may have with competitive rivals.

## **3. Bargaining Power of Buyers**

The size of a company's customer base can impact their ability to influence pricing and quality. For example, this is why a large grocery store chain that has stores in most states has more freedom to offer discount pricing versus a small convenience store located in a remote area. That said, as the only store around, a remote convenience store may also have more power to charge more for groceries.

In a highly specialized industry where a handful of buyers account for the majority of sales, those buyers are able to demand more of a product or service. The more buyers a company has, the less reliant they are on that small group.

Considerations for Industry Analysis: Ensure that you dig into how big a client's customer base is, how much buyers are willing to spend, and how loyal that customer base is. If buyers are having issues with the pricing of a product or service, for example, your client will need to do everything they can to respond to buyer price sensitivity



#### **4. Threat of Substitutes**

If there are a number of substitutes for a product or service on the market, buyers have more options to seek out similar products or services. It's important for your client to ensure their product or service maintains demand among customers. That way, even if a substitute appears at some point, customers will trust the quality of their product or service regardless. For example, Microsoft Excel can be viewed as a substitute for project management software or different calendar apps.

When a substitution for a company's product or service that is currently on the market appears, it can be potentially damaging. If the product or service substitution includes many similar features at a much lower price, buyers may be tempted to use an alternative. This is why it's so important to understand your buyers on a deeper level.

Considerations for Industry Analysis: Find out how easy it is to find a substitute for the product or service your client provides. Can the product or service be emulated in a cheaper way? How important is the quality of the product or service to buyers?

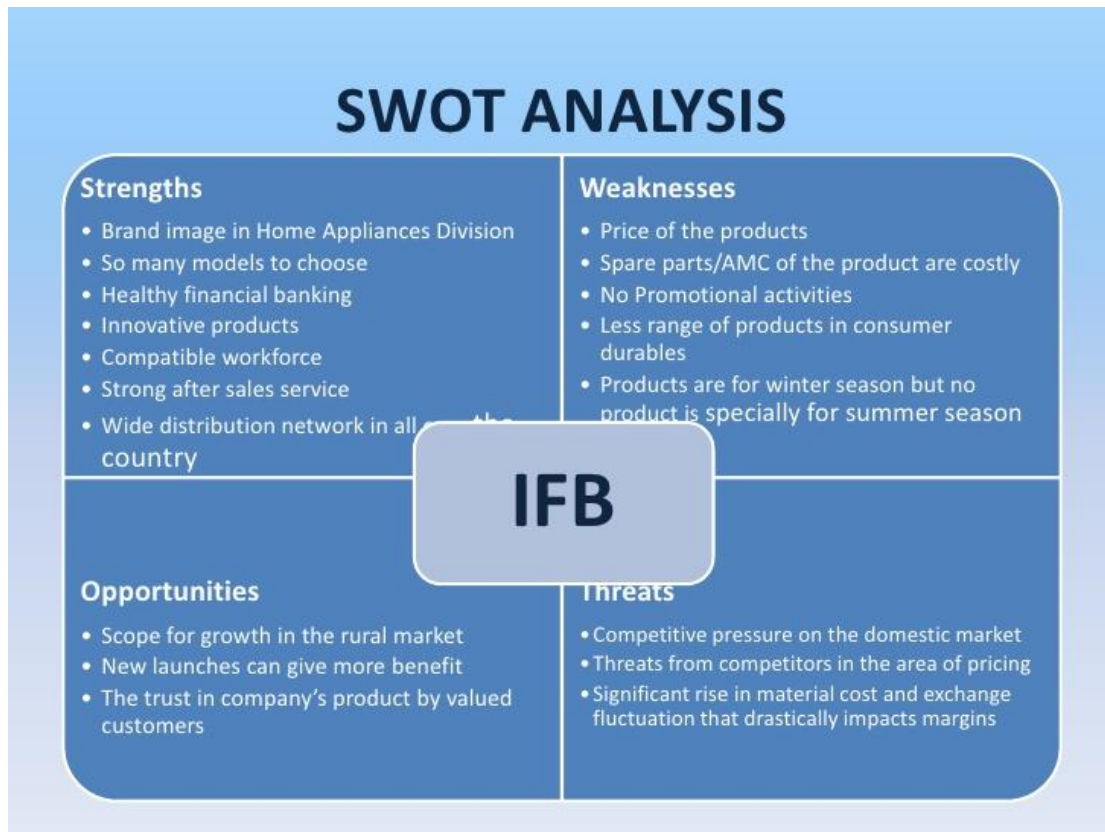
#### **5. Threat of New Entrants**

If it's easy to gain access into your industry, the chance of new competitive rivals entering into it is high. This can lead to a crowded industry where many new competitive rivals start appearing regularly. Most of us can recall the 3D TV craze that saw a flood of high-profile TV makers quickly enter the scene, only for the industry to almost die out completely just a few years later.

How easy is it for new entrants to join an industry? All a clothing company needs is access to a clothing supplier and some designs. It's not that difficult, hence why there are a lot of clothing companies out there. A company that specializes in building navigational software for the marine industry, on the other hand, will have much more rigid standards that need to be adhered to. This makes it far more difficult for new entrants to arise within that industry.

Considerations for Industry Analysis: Investigate how strict laws and regulations are in an industry, what the primary roadblocks to enter are, and how much interest there is from outsiders to join.

**CHAPTER-5**  
**SWOT ANALYSIS**



## Strengths of the company

### ✓ Brand image in Home Appliances Division

IFB has a brand image in Home Appliances Division and it is leading market in this segment with the major number of customers of washing machines and microwave oven.

### ✓ So many models to choose

The products have variety of models with different features as well as prices to tap the customers of middle class, upper middle class and high class.

### ✓ Healthy financial banking

The company is financially sound and can grow well if it targets the rural areas as well.

✓ **Innovative products**

The products are actually innovative and new in Indian market so they have a near monopoly in dishwasher and clothes dryer with maximum market share. So it attracts the customers of higher class for more luxurious life style.

✓ **Compatible workforce**

The company has a compatible work force which works in team to give a new height to the company.

✓ **Strong after sales service**

The company is also providing best after sales service to its customers by the scheme like warranty, annual maintenance contract and extended warranty.

✓ **Wide distribution network in all over the country**

It has a wide distribution network which covers almost every state of the country having various dealers and franchisees in each state.

## **Weaknesses of the company**

✓ **Prices of the products**

The prices of the products are a bit high in comparison to other brands. So it will not be able cover the lower middle class.

✓ **Spare parts/AMC of the product are costly**

Even the spare parts and annual maintenance contract of the product are costly which shows a chance of losing customers.

✓ **No promotional activities**

There are no promotional activities for the promotion of the products. Even there is not any advertisement which can show the features and variety of products. This is the reason that there are very less sales of hobs and chimneys because people are not aware of its new products.

✓ **Less range of products in consumer durables**

It has less range of products which is not sufficient to capture the whole market. Though some new products are ready to be launch in coming year but some small consumer durables like iron, water heater, camera etc. can be added.

✓ **Products are for winter season but no product is specially for summer season**

The products like clothes dryer can be used in winter season mainly which comes just for 2 months in entire year. Such products can only be purchased by north people due to having very less temperature in winter season. There should be some summer products like refrigerator, AC, cooler, water cooler etc. so that it can be purchased in entire year and can capture the whole Indian market.

## **Opportunities for the company**

✓ **Scope for growth in the rural market**

IFB still have not covered the rural market of country. As India has its major population in rural areas, the company has a wider scope for growth in rural market by launching low price products useful for rural people which can also have chargeable features because rural area still don't have full time electricity facility. For example – chargeable lamps.

✓ **New launches can give more benefit**

The new launches which are there in the pipeline can give more benefit to the company. Even some more launches in coming future can add more benefit to the company.

✓ **The trust in company's product by valued customers**

The greatest opportunity of the company is its brand equity, product quality, latest technology and last but not least is the trust in company's products by the valued customers. This trust will definitely be helpful in the promotion of other new products.

## Threats for the company

✓ **Competitive pressure on the domestic market**

Growth of the Indian economy together with the reduction of import duties makes India increasingly a target market for many MNCs and therefore, competitive pressure on the domestic market will continue to grow.

✓ **Threats from competitors in the area of pricing**

As its competitors are also there in the market with some low price products the company is facing threats from those competitors.

✓ **Significant rise in material cost and exchange fluctuation**

The significant rise in material cost and exchange fluctuation drastically impacts margin of the company.

**CHAPTER – 6**  
**ANALYSIS OF FINANCIAL STATEMENTS**

## Cashflow Statement

### Cash Flow

Rs (in Crores)

Particulars	Mar'20	Mar'19	Mar'18	Mar'17	Mar'16
Profit Before Tax	29.70	96.20	119.34	68.18	35.16
<b>Net Cash Flow from Operating Activity</b>	<b>168.36</b>	<b>49.79</b>	<b>117.51</b>	<b>92.62</b>	<b>.00</b>
<b>Net Cash Used in Investing Activity</b>	<b>-362.27</b>	<b>-31.38</b>	<b>-90.78</b>	<b>-103.55</b>	<b>.00</b>
<b>Net Cash Used in Financing Activity</b>	<b>224.92</b>	<b>-10.43</b>	<b>-9.98</b>	<b>9.03</b>	<b>.00</b>
<b>Net Inc/Dec In Cash and Cash Equivalent</b>	<b>31.01</b>	<b>7.98</b>	<b>16.75</b>	<b>-1.90</b>	<b>6.93</b>
Cash and Cash Equivalent - Beginning of the Year	70.39	62.41	45.66	47.56	40.63
Cash and Cash Equivalent - End of the Year	101.40	70.39	62.41	45.66	47.56

Rs (in Crores)



## Profit & Loss - IFB Industries Ltd.

Rs (in Crores)

	Mar'20	Mar'19	Mar'18	Mar'17	Mar'16
	12Months	12Months	12Months	12Months	12Months
<b>INCOME:</b>					
Sales Turnover	2551.42	2539.87	2188.65	1899.06	1635.53
Excise Duty	.00	.00	40.14	158.41	134.59
<b>NET SALES</b>	<b>2551.42</b>	<b>2539.87</b>	<b>2148.51</b>	<b>1740.65</b>	<b>1500.94</b>
Other Income	12.7600	12.4100	18.4500	12.8300	13.3100
<b>TOTAL INCOME</b>	<b>2564.18</b>	<b>2552.28</b>	<b>2166.96</b>	<b>1753.48</b>	<b>1514.25</b>
<b>EXPENDITURE:</b>					
Manufacturing Expenses	26.15	24.91	22.52	19.45	16.90
Material Consumed	1576.73	1607.23	1308.85	1090.32	935.34
Personal Expenses	287.85	255.05	211.14	161.46	155.56
Selling Expenses	180.87	158.08	133.91	97.22	92.10
Administrative Expenses	360.88	369.87	315.52	268.91	231.60
Expenses Capitalised	.00	.00	.00	.00	.00
Provisions Made	.00	.00	.00	.00	.00
<b>TOTAL EXPENDITURE</b>	<b>2432.48</b>	<b>2415.14</b>	<b>1991.94</b>	<b>1637.36</b>	<b>1431.50</b>

Operating Profit	118.94	124.73	156.57	103.29	69.44
<b>EBITDA</b>	<b>131.70</b>	<b>137.14</b>	<b>175.02</b>	<b>116.12</b>	<b>82.75</b>
Depreciation	88.98	54.54	51.38	43.59	45.37
Other Write-offs	.00	.00	.00	.00	.00

## Balance sheet

### BalanceSheet - IFB Industries Ltd.

Rs (in Crores)

Particulars	Mar'20	Mar'19	Mar'18	Mar'17	Mar'16
	12 Months	12 Months	12 Months	12 Months	12 Months
<b>Liabilities</b>					
Share Capital	41.28	41.28	41.28	41.28	41.28
Reserves & Surplus	606.02	579.37	509.01	430.20	375.32
<b>Net Worth</b>	<b>647.30</b>	<b>620.65</b>	<b>550.29</b>	<b>471.48</b>	<b>418.33</b>
Secured Loan	277.73	6.53	14.08	22.23	16.40
Unsecured Loan	.00	.00	.00	.00	.00
<b>TOTAL LIABILITIES</b>	<b>925.03</b>	<b>627.18</b>	<b>564.37</b>	<b>493.71</b>	<b>434.73</b>
<b>Assets</b>					
Gross Block	775.97	440.45	376.58	344.03	531.71
(-) Acc. Depreciation	205.64	127.42	82.80	39.16	257.81
<b>Net Block</b>	<b>570.33</b>	<b>313.03</b>	<b>293.78</b>	<b>304.87</b>	<b>273.90</b>
Capital Work in Progress	7.96	22.40	6.74	13.89	23.77
Investments	186.40	60.86	126.27	63.48	16.85
Inventories	373.37	392.59	310.70	234.88	214.41
Sundry Debtors	185.14	211.33	172.34	138.24	115.46
Cash and Bank	120.89	94.84	63.09	46.32	48.16
Loans and Advances	169.57	109.12	109.08	79.54	98.81
<b>Total Current Assets</b>	<b>848.97</b>	<b>807.88</b>	<b>655.21</b>	<b>498.98</b>	<b>476.84</b>
Current Liabilities	619.06	518.37	471.79	355.24	321.51
Provisions	69.57	58.62	45.84	32.27	35.12
<b>Total Current Liabilities</b>	<b>688.63</b>	<b>576.99</b>	<b>517.63</b>	<b>387.51</b>	<b>356.63</b>

<b>NET CURRENT ASSETS</b>	<b>160.34</b>	<b>230.89</b>	<b>137.58</b>	<b>111.47</b>	<b>120.21</b>
Misc. Expenses	.00	.00	.00	.00	.00
<b>TOTAL ASSETS(A+B+C+D+E)</b>	<b>925.03</b>	<b>627.18</b>	<b>564.37</b>	<b>493.71</b>	<b>436.46</b>

**CHAPTER – 7**  
**LEARNING EXPERIENCE**

## Learning:

During this one month period I have come across many new things and learned many things, which I'm sure will be very helpful not only in my career but throughout my life. This one month learning period was fun indeed. I have not only learned the subject matter related to my studies but also the gain out knowledge through this project. Some of the few things I have learned throughout this training period are mention below:

- I learned the new project towards the IFB industry.
- I learned the importance of punctuality.
- I learned many new features in MS Office and PowerPoint presentations, as I typed my report using it.
- During this situation cannot able to see the working environment of industry, while doing the project I felt like that environment.
- I learned the analysis of financial statements.

## **BIBLIOGRAPHY:**

### **WEBSITES**

- [www.ifbindustries.com](http://www.ifbindustries.com)
- [www.ifbappliances.com](http://www.ifbappliances.com)
- [www.economicstimes.com](http://www.economicstimes.com)

### **OTHER SOURCES**

- Documents of the company

## Format of Weekly Progress

### WEEKLY PROGRESS REPORT

Student Name	STELINA P
USN	1CR19MBA85
Title of the Study	An Organization study on IFB Industries LTD
Organization	IFB Industries LTD
<b>WEEK-1</b>	
Duration (start date - End date)	<b>6.8.2020 - 12.8.2020</b>
Chapter's covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
<b>WEEK-2</b>	
Duration (start date - End date)	<b>13.8.2020 - 18.8.2020</b>
Chapter's covered	Chapter 3
Descriptions of activities performed during the week	Mc Kensey's 7S framework, Porter's Five Force Model.
<b>WEEK-3</b>	
Duration (start date - End date)	<b>19.8.2020 - 26.8.2020</b>
Chapter's covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
<b>WEEK-4</b>	
Duration (start date - End date)	<b>27.8.2020 - 30.8.2020</b>
Chapter's covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography



**Signature of the Student**

**Signature of the Guide**