

ST.PIOUS X DEGREE & PG COLLEGE FOR WOMEN

Reaccredited with A+ Grade by NAAC

DEPARTMENT OF COMMERCE

STORM 2019

CAMBIO - A TRANSFORMATION

RULES

1. Team size - 2 members.
2. Team should provide a solution for the Case in the form of PPT
3. Total number of slides should not exceed 8.
4. Maximum time allotted to present is 5 minutes per team
5. Judgment will be given based on the proposed strategies, practical approach and the presentation style.

The following is the case to be analyzed for the CAMBIO event.

CASE STUDY

CHILL OUT COFFEE JOINT

Founded in 1991 in Hyderabad, Chill Out Coffee Joint has been operating in 29 states in India and 15 other countries. It is one of the most reputed brands, winning awards such as "Best Business", "Most Admired Company", "100 Best Corporate Citizens" Global Excellence Awards and "Best Paying Employer" so on. It maintained a good relationship with its international supplier who supplied the best of the beans of the world, the cost and the quality which was much higher than the other domestic supplying companies.

While its quality was unquestionable, coffee and other complimentary offers were considered to be a bit costlier than that offered by other competitive domestic coffee houses. Armed with a strong and efficient marketing team and good service employees at the outlets, it made the customers feel like, it's the only choice to go to have a good cup of coffee to unwind after a gruesome day at work. To keep its sales and service teams motivated, it offered them huge salaries and a variety of incentives, bonuses all through the year which amounted to almost 40% of its cost of production. They discovered that entrepreneurial success usually comes through great execution but not through innovative thinking and breakthrough ideas.

For many years the company was earning very good profits over and above its competitors. But a slump in the economy did not save the company from its glorious past. And the company started incurring losses. One of the several reasons why the company took a major hit during the economic slowdown of 2016 was that the customers opted for cheaper options for their everyday coffee needs.

Chill Out Coffee Joint was forced to shut 600 shops that were not making profits. By March 30, 2016, its profit had fallen by 28 per cent compared to the same period in 2015. In 2017, it closed another 50 stores and laid off 6,700 employees. This spread a sense of insecurity and fear of retrenchment among the existing staff of the company which led to deterioration in service levels.

The CEO of Chill Out Coffee Joint found that the sales at various stores has consistently reduced, and found that the economic condition of the country worsened it further. The company also had to face severe competition from the other competitors.

If you were the CEO what strategies would you adopt to bring it back to its previous glory?