

**CASE STUDY “FINDING OPPORTUNITY IN LOCKDOWN, ‘OCEANUS’-GENERATING  
VALUE FOR INTERNATIONAL BUSINESS MARKET.”**

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**Introduction:**

It was April 2022, when Premangi Khagram was wondering about her followers on social media & her relentless journey of striking a golden opportunity in the international market but which method to adopt - direct, indirect, hybrid and business acquisition in order to enter the market was her concern.

Covid Pandemic had been a tough phase of life for everyone. Premangi Khagram was also one of us dealing with the covid difficulties. She was living with a big family of grandparents, parents, and siblings in her hometown Jamkhambhaliya. Her grandfather was doing an agriculture business. Majorly he was into the cultivation of garlic. She had always admired her grandfather for managing the entire business by himself and always dreamt of doing something independently. Premangi belonged to a small town where she completed her studies in her initial years. Then, she moved to Rajkot to pursue her MBA. In the second year of her MBA, Premangi got a chance to do an internship at a Public Relation (P.R.) management firm – ‘Simulations PR’ in Ahmedabad and she started working with them. However, she was very much determined as an intern. So, she decided to meet the principal and spoke to him about her internship opportunity. Initially, the principal refused to allow her to continue the job at some other location. Premangi tried very hard to convince the principal. He agreed to let her continue her job on certain terms to which Premangi agreed. Thus, she started her journey in the corporate world along with her studies. She had always been a very flexible person, one who would adapt to the ever-changing scenario but always stuck to her goal.

After Completing her MBA, she was doing well in her job at the event management firm, and she was also very good at crisis while managing events. Looking at her dedication and commitment to the work, her boss Mr. Zuber Sindhi offered her working partnership which she happily accepted. At the beginning of 2020, the covid pandemic started and everything got shut down. There was strict restriction on gatherings. Due to these restrictions, a couple of events also got cancelled. Then after, complete lockdown was imposed in India.

**Ideating Oceanus**

Premangi got infected during the second phase of covid and then she decided to go back to her hometown at this time. During the lockdown period, she was quarantined in a hotel. This was the time in which she explored the business idea.

On Sunday morning, while taking a walk in the backyard, her grandfather asked Premangi what was bothering her and made her sit for a long time in the balcony of their ancestral house near his garlic farm. Premangi was slightly surprised by this question and started talking her mind to her grandfather. She said that she wished to start a business of her own but could not figure out the

business idea. On hearing this, grandfather smiled and suggested doing something in line with what he was doing. Thus, interaction with her grandfather had provided her with direction to think about agriculture business. However, she did not have any previous exposure to agriculture business that could have helped her understand agriculture, besides family business. So, she went ahead and started exploring everything related to ‘garlic’ as an agricultural product.

She knew that she was taking huge risk by exploring a business idea in the sector of agriculture, but she was very determined to pursue her idea. She started understanding the various methods of agriculture such as cultivation, types of soils, selection, and use of fertilizer etc via the internet as she had a higher willingness to learn the cultivation business. While understanding the agriculture process, she came across the concept of a dried food product. On further exploration of a concept, she got to

know that there was a niche segment of convenience food. She started unearthing about the convenience food sector & its potential in her quarantine period. She was ready with a robust feasibility report about the business sector, along with its business potential. Thus, she decided to do business in the convenient food sector.

Another question that was bothering her was deciding between fruit and vegetables. She again went to meet her grandfather to seek his advice. He advised her to start with garlic as the first product to be introduced in the convenient food sector. He told her that sourcing the garlic in huge quantities would not be a problem as it was their family business. Moreover, it would also reduce the cost of the purchase of raw materials. Thus, covid lockdown had been a time in which Premangi had conceptualized and finalized her business idea and she was very much determined and confident about her business initiative.

Eventually, the covid phase came to an end and the government lifted all the restrictions. Premangi had decided to execute her business idea. Her hometown is a small town & as there was no scope for doing business in her hometown. Ahmedabad, the business hub in Gujarat, was a known place for her as she was doing job with event management company. So, she was aware of the city and market both. Her passion and perseverance pushed her forward to face business challenges.

The major challenge was to find the space to set up the business. She approached one of her employers- Mr. Zuber Sindhi and discussed her business idea with him. Mr. Zuber had an event management company named Rangmanch. He was ready to share his office premises with her and Premangi had promised to help in managing the client for the event management business. Thus, her journey as a woman entrepreneur started in 2021. Mr. Zuber was silent investor in the company and his focus was on the event business.

Premangi was happy that she got her company registered and got funds from KVIC and also got 35% subsidy as a women entrepreneur. but she was concerned about the execution of the idea. She realized that she needed to have deep understanding of the product and process both. She started exploring the ways through which she could have a deep understanding of the processes of dehydration and storage of the perishable product. Premangi was member of networking group as a employee of event management company. The company was providing an opportunity to establish a network with businesspeople across the industry. So, Premangi rejoined this business networking group and met various people from the agriculture sector.

#### **Mentoring**

During one such meeting, Premangi was fortunate enough to interact with Mr. Dinesh Oza who was a food technologist. She had a very long interaction with Mr. Oza on dehydration techniques. Mr. Oza was also impressed by the zeal and enthusiasm of Premangi toward her business and decided to mentor her in food techniques. Another person who has guided Premangi in the execution phase of her business was Mr. Raj Pinjari who was the COO of one of the leading cold drink brands in India. He was guiding Premangi on branding, marketing, and supply chain activities of the business. Thus, during the execution phase of her business, she got handholding, mentoring, and direction from two eminent persons in the food industry.

#### **Understanding the supply chain for Oceanus**

She understood that raw material availability – sourcing of raw materials, availability of compatible products and its characteristics are the keystone of her business. Raw material cost is very high during the non-seasonal period. Having some inventory of routine products is inevitable.

Initially, Premangi intended to operate in the domestic market, so road transportation was the suitable way to get vegetables to the processing unit. She had set up the processing unit on the outskirts of Ahmedabad city to avoid traffic-related issues. During the dehydration process, the moisture content of food got substantially lowered under the controlled conditions of temperature, relative humidity, and airflow. There were many other processes and techniques to dry the vegetables and fruits and get

the final product like sun-dried, heat pump drying, hot air drying, retort drying, vacuum drying, infrared drying, freeze drying, and drum drying. Oceanus used Buhler's-Sortex's Auto colour technique for dehydration. This technique removed unwanted foreign particles from the food without contaminating it. This technique was used in place of Conventional manual sorting. In the Sortex cleaning technique, a precision air classifier, and aspiration channel was used to remove impurities such as small stones, glass, wood, etc. Further, companies could use imported (S+S) separation and sorting technology from Germany for detecting ferrous and non-ferrous particles. However, premangi had pulvarizor and vibro working for her final products.

Moreover, the dehydration process & techniques of drying the vegetables generate zero wastage. Thus, "Retains original flavour and taste, no preservatives, and Zero Wastage" had become core competencies of the business. Premangi had introduced dried onion in four varieties: (i), Flakes, (ii) Granules, (iii) Minced, and (iv) Onion Powder. Similarly, Garlic also had four varieties: (i) Cloves, (ii) Granules, (iii) Minced, and (iv) Garlic Powder.

Once, the vegetables were dehydrated to get dried, they were converted into four different varieties and packed in packaging sizes of 5 Kg, 10 Kg, 15 Kg, 20 Kg, and 25 kg. The packaging material used was cartons and paper bags. These were the standard packaging process followed at Oceanus. Besides, the company also offered a private labelling service (Exhibit -2) where customers could keep their logo on the packaging, as depicted in the image below.

After the packing, the most important activity was to make the product available to the customer. So, the product was delivered to the customer through road transportation. The hotel industry and food industry were major clients of dried vegetables and fruits. In these industries, food was prepared in bulk, and dried vegetables and fruits made cooking faster. Apart from that, makers of ready-to-cook and ready-to-eat food also require a dried form of vegetables and fruits as an ingredient in their product. There was little use of dried vegetables and fruits in the pharmaceutical industry also. Therefore, delivery became an important part of the entire process.

### **Industry**

The convenient food sector was a part of the B-2-B segment. So, traditional, or digital marketing as a stand-alone strategy would not work. Premangi focused on word-of-mouth or referential promotional strategy in the initial phase of the business as it was less costly. More importantly, dried vegetables and fruits were one of the main ingredients in customers' businesses on which the product quality was dependent. Therefore, customers were also checking the credentials of the company before releasing the order. Premangi was also a member of the business network platform and via this platform, she had created a network with the businessperson that would require her products in their business.

The food processing industry, specifically the convenient food sector, had its place in the B2B market. Exhibitions, trade shows, and various international summits on food were major platforms for the company to increase its clientele base. Premangi also attended an international exhibition on convenient food products. Generally, when the product reached the customer's place then the job of the supplier was perceived to be over. But this was not the case with Premangi. Once the products reached the customer's place, Premangi used to inquire about the food packaging, its quality, logistics-related feedback, etc. Thus, she considered the customer feedback after the delivery of the supply as a crucial relationship building activity.

There were no functional areas operational at Oceanus as it was a startup firm. So, Premangi was primarily responsible for business development, marketing, branding, service to the client, and fund generation. Other operations tasks such as maintenance of the client data, financial data, and legal compliance were looked after by her partner Mr. Zuber Sindhi. Raising funds had always been a challenge to the Premangi. She started the business with her own money, but she needed money for the expansion of her business, so she approached various banks. In her words, "I had wasted eight to nine months doing paperwork for getting financial aid from the banks but the waiting period for loan sanctions was so long that I had decided to explore some other options rather than relying upon the banks."

She also managed to get a food certificate from FSSAI, and startup India and it has assisted her in building her credentials. She had also become a member of the Agriculture and Processed Food

Products Export Development Authority (APEDA) to become an authorized firm to export dried food products outside India. Though Premangi was aware of the agricultural activities, she wished to understand the market better, so, she hired interns from the reputed business school of Ahmedabad to conduct the market research. The research results widened her market understanding.

Premangi had good experience while working as a college intern so, she decided to recruit an intern to assist her in her work. Meanwhile, she received various invitations from agricultural institutions to deliver guest sessions on convenient food segments and dried food businesses. Such guest sessions provided generous benefits to her. She was able to get good people to work with her, people from the food industry started recognizing her as a women entrepreneur and she was able to spread word-of-mouth about Oceanus.

Technology was one of the important aspects of the dried food business. It was very much essential for Premangi to identify the right technology, allied machinery, equipment, and instruments. She took the guidance of Mr. Dinesh Oza whom she met in a meeting at a business networking platform. Being a food technologist, Mr. Oza was quite well-versed in food technology and as per his advice, Premangi opted for German-based technology for her business. She was also making substantial use of the various social media platforms for promotion, branding, advertising, and networking.

Procurement was another vital activity of Oceanus's business. Besides the purchase of vegetables and fruit, procurement involved buying the chemical required for the dehydration process, laptops, other computer hardware, packaging material, etc. She was managing strategic relationships and partnerships with all her suppliers to ensure the timely delivery of all the products. Premangi possessed a trait of connecting well with people and it has helped her develop a business network with the stakeholders.

These operations at Oceanus were managed well by Premangi and her partner Mr. Zuber as well. They were about to explore what best can be done with some or all the activities involved in daily operations. Premangi was also not clear on how to develop core competencies and on which product. Though she started the business with onion and garlic only. She eventually added sliced fruits like apples, coconut, guava, jackfruit, Jamun, lemon, papaya, peach, pear, pineapple, orange, mango, chickoos, bananas, kiwi, strawberries, and cherries to her product portfolio. She believed that these products would be used as raw materials in confectionary products such as ice creams, chocolates, cereals, and smoothies. She also added fruit powder from aampanna, chickoo, custard apple, orange, pineapple, pomegranate, rose, & strawberry, and herbs like beetroot powder, neem powder, mint powder, ginger powder, and tamarind powder. There were many reasons for product expansion. First, she wanted to focus more on the export of dried products, second, these products were in high demand among the Indians who migrated to different parts of the world and last, these products were used as ingredients in many international cuisines. Thus, she had a plan to enter the international market.

The global market of dried food was expected to grow with a CAGR of 4.3% by 2022-2032. Countries like North America, Latin America, Europe, East Asia, South Asia, the Middle East, and Africa were the key markets for the business of convenient food companies. Premangi wished to enter such an international market as convenient food products would be high in demand due to their popular use in breakfast cereals, healthful snacks, desserts, and ready-to-eat food. Moreover, the availability of a sophisticated retail network consisting of supermarkets, convenience stores, and hypermarkets in various regions of the global market assists the food players in deep market penetration. Thus, Premangi wished to explore global business opportunities for her business, and She got a chance to visit an international exhibition on the food industry at Dubai and met many people doing similar kind of business.

However, Premangi was exploring various entry modes to enter the global market. She was very determined to keep the food processing unit at Ahmedabad as there were many location advantages, and they were playing a major role in reducing the operational cost for her business. Through this, she achieved operational efficiency. However, there was a cost to pay to leverage location advantage. It was very much difficult for Indian food to clear the stringent food quality standards of developed countries. Though, Indian food products could be marketed via the middle east route. This could be one such entry mode to go global.

Premangi was very keen to cater to the markets of the USA and UK as both countries had 66% of the collective market share in the International Food Processing Market. She also realized that she needed



to redesign her drying process to meet international food standards and get food quality certificates. Once she got the food quality certificates from International Body then her products would be accepted worldwide. But to pursue this ambitious organizational objective, Premangi needed huge capital to redesign the entire process. Arranging the funds for business expansion had always been a challenge for Premangi.

During her interaction with people at the international exhibition in Dubai, Premangi got to know about the different types of fruits and vegetables grown in the different regions of the world that were presented in the exhibition. This made Premangi explore the option of managing, sourcing, and processing the fruits and vegetables within regions so that it would become easy to manage the business locally in that region. But without any exposure to such a market, Premangi was in a dilemma about which entry route to opt to enter the international market.

Premangi was doing well in the domestic convenient food market. She was very aggressive about the expansion of her business in the global market. She was a first-generation entrepreneur, and she was facing the same problems which a first-generation entrepreneur generally faced in the developing stage of the business. But she was zealous about Oceanus. She just needed a way out for business expansion.

### **Synopsis**

Women entrepreneurs are the genre, that are driving their own career path. With the availability of funds in the Indian market ventures are breathing their first breath in good numbers. Oceanus is a case study that will direct the learners towards understanding the difference between indigenous & international markets. It will also help learners unearth the hidden areas of business processes that help differentiate the product offering. The case further relates to the identification of business activities that create or enhance the value for end consumer.

### **Learning objectives**

- To understand international strategies to enter international markets.
- Analysing the activities of value chain for the stakeholders
- Identify entrepreneurial traits of women entrepreneurs.

### **Position in course**

The case can be used in a MBA program for a course in Strategic Management & International Business in the module of Value Chain & Internationalization strategy have been discussed.

### **Research methods**

Data for the case was collected from primary as well as secondary sources. Secondary sources were used for collecting data about the Food processing Industry. Data for the protagonist was mainly taken from organizational documents and interview with the founder.

### **Suggested core readings**

- International Business: environments and operations / John D. Daniels, Lee H. Radebaugh, Daniel P. Sullivan-book.
- Strategic Management: A South Asian Perspective / Hitt, Ireland, Hoskisson, Manikuttu, 9<sup>th</sup> Edition, Cengage Learning.

### **Assignment questions:**

1. What are the traits of an entrepreneur, especially women?
2. Which strategies can be followed when a firm wants to go international market?  
Which are the ways increase efficiency of business via value chain?

**Pre discussion assignment:** 'A writeup on Convenience food industry potential in India'

### **The breakup of the case teaching plan (90 minutes):**

Pre-classroom task	Disseminating the case before class discussion
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Opening the case First 10 Minutes	Discussing key traits of the protagonist
Next 10 Minutes	Analyzing the market potential of the product in the order of pre discussion assignment .
Next 15 min	Sensitizing learners towards Segmentation of market.
Next 20 min	Discuss challenges of building the business & aligning tasks for attaining competitive advantage.
Next 35	Persuade learners to enlist strategies that collate to theory concepts(Internationalization strategies, Value Chain)

## Analysis

1)What are the traits of an entrepreneur, especially women?

Entrepreneurial ventures are tested for 1000 days. (Pathak, 2020) directed entrepreneurs towards thought provoking issue of sustenance that most startups face in India specifically.(IBEF, 2023)Entrepreneurs are the backbone of the economy. According to McKinsey Global, India can potentially add US\$ 700 billion to global GDP by increasing women's participation in the labor force. Businesses that have women at the helm are considered to run very efficiently, and some of the compelling reasons to invest in a such a business are:

- Higher return potential: Businesses led by women require less investment but generate higher net revenue. For every dollar invested, women-led start-ups provide 78 cents return compared to 31 cents by men-led start-ups.
- Multi-tasking: Women are great multi-taskers as majority of them juggle multiple things at once. These women could prove highly valuable in generating various income streams and helping to nurture start-ups. As per a survey conducted by psychologists at the University of Hertfordshire, When women and men were given two tasks at the same time, women slowed by 61%, whereas men slowed by 77%.
- High risk appetite: Women entrepreneurs are known to take more risks, as per a survey taken by KPMG 43% of women are willing to take more risks. Moreover, women are found to be better than men at envisioning opportunities.
- Adaptability and higher EQ: Women have a dynamic ability to adapt. A survey conducted by Bain & Company, Google and AWE Foundation of 350 women solopreneurs and small company owners in urban India found that companies run by women founders were resilient and fast to adapt. The results also showed that women also had a higher emotional quotient (EQ).(Anil Boz Semerci A. E.-S.-9., 2014)Some of the traits of dynamic entrepreneurs are
  - Risk Taking
  - Passion & Perseverance
  - Goal Orientation
  - Ability to connect.
  - Flexibility
  - Crisis Management

Premangi connotes to all the characteristics of an entrepreneur. Her passion & perseverance was very well depicted in her conviction towards her goal achievement to achieve a stature for herself. The pandemic turned out to be decisive time for her to clarify her thoughts towards her next move. She turned the crisis in grabbing opportunity wherein, she thought & researched about the prospective business venture during the quarantine period.

Her dedication towards work earned her the position of a working partner in her job & she gained the work space for Oceanus on her goodwill. Risk taking ability is a matter of vision of entrepreneurs, the depth of research, conviction towards their venture & purpose of business. Her travel to international food exhibition made her understand the difference among fruit & vegetable quality (raw material for her business).

2) Which strategies can be followed when a firm wants to go international market? Which are the ways to increase efficiency of business via value chain.

Firms try to go to international market for the following objective.

- Sales Expansion
- Mitigating Risk
- Acquiring Resources

While the focus of home country firms /businesses to venture into international market is to acquire overall stability in business. Finding business opportunity through segmentation was always a sustainable method of running the business. Usually, firms begin segmenting the home country (Place from which the business began) market segmentation. It is coincided with product life cycle tool for analyzing the stage of the brand in the market in relation to competitors & their moves. Competitors & market evolve on daily basis in any business or country. Firms follow the pattern of internationalization (refer: Exhibit 1). Oceanus is a firm that has targeted only international market for dried powdered products. Oceanus positions itself as a House of Dehydrated and Dried food products leading to a new age demand of convenient cooking. The product category does not have a sizeable market in India (the home country) but nations in the international market where convenience food has picked up are bulk consumers of dried & dehydrated food powders. According to exhibit 1, the degree of similarity between home country market & host country (product target market) does not match. The ample amount of raw material & dis synergies among the farmers & end exporters in the industry makes Oceanus the apt firm for handling international business of the products. Indian market for product is unprofitable, but the resource market is profitable. Therefore, Oceanus is into pure exports to the first world countries. As on 2023, the exports are in Brazil, Canada, Australia, UAE, Japan, Russia.

There are four basic strategies for internationalization that businesses follow.

- Global
- International
- Transnational
- Multidomestic

Oceanus is a pure export oriented firm that gets the dried vegetables & fruit's processed through job work. Though the market is order driven that pulls the inventory from farm to factories, season is very crucial.

Competency is a tool to achieve long-term objectives. The quality of raw materials adds value to the end product. The company should focus on sourcing quality raw materials to create value-driven end products. Food technology is a key to tap the international market so, acquiring cutting-edge technology shall help Oceanus to enter into the international market. The credentials of the company are more important to create trust in the brand. The company should aim to get international certifications in food quality.

Enhancing the efficiency of the value chain of the company is an expensive affair. So, the company should identify the resources to generate the funds and then it should be mobilized by modernizing the warehouse and organizational infrastructure. Lastly, technological advancement is a paramount factor that will improve the overall efficiencies of all activities of the value chain.

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