



Accelerating Family Businesses- A case of Treasure Trove “Khandelwal Jewelers”

Dr. Pavan M. Kuchar¹, Dr. Satya Mohan Mishra², Dr. Mayur A. Dande³

1, 2, 3- Assistant Professors, Department of Business Administration and Research,
SSGMCE, Shegaon, Dist- Buldana, Maharashtra

Corresponding Author- Dr. Pavan M. Kuchar

Email id: pmkuchar@gmail.com,

DOI- 10.5281/zenodo.7634253

The Inception

The unorganised sector in India has been contributing to the growth of economy since long times. National Account Statistics happens to use the term “Unorganised sector” instead of “informal sector”. Despite the drawbacks like getting disappeared from the mainstream documentations, accounting and records, as this sector provides plenty of employment opportunities, has been a foremost choice for the less educated and unskilled mob that can be trained for a short period and contribute to better functioning of the organisation. The Indian gold, gems and jewellery unorganised sector is a symbol of trust for majority of Indians who go by the conventional mechanism of purchase. There are approximately 2.8 million unorganised jewellery outlets in India. Somewhere around 2000, as high as 90 percent retail gold outlets in India were falling under unorganised category. With an electrifying presence of globalisation, privatisation, liberalisation, digitisation unorganised sector is transforming into organised one. The pace of diffusion of innovation for varied outlets may differ but the awareness and consent for the same is appreciable indeed! Family businesses from the corners of India are experimenting. The younger generation is eager and instrumental in this phenomenon.

The Outfit

Considering the increasing demand for gold and related ornaments, India tends to be the world's second largest consumer. China is the top one. Three trillion is the monumental number wished for in India, of which more than fifty five percent is purchased for weddings. Considering attributes like changing consumer preferences, deeper information search, influence of opinion leaders and reference groups, inclination towards ambience and shopping experience, availability of variety of ornaments, volatility, influx quantities, changes in government regulations, micro and macro level environmental parameters, spectacular opportunities lie for the unorganised jewellery sector. These must be sought after with genuine endeavours. Several such attempts have been initiated not only in a metropolis like Mumbai or urban areas of the country but also in small towns.

Khandelwal Jewellers (Akola) Pvt Ltd is the State of art and Trustmark Certified chain of showroom. KJ-1, multi-storey showroom, located in Heart of city at M. G Road Akola,

KJ2 Wholesale division at Mumbai, another one know as KJ3 located at KJ3 Square M. G Road Akola. The Khandelwal jewellers is the leading jewellery in the Vidharbha Region. It is major market share of the total jewellery business in Vidharbha. They are the proud to be professional jewellers to the 90k of our respected customers till 5th Generation. A very big 95 years of Good History is behind their success.

The present case is a narrative of honesty, integrity, trustworthy and purity characters of a very successful entrepreneur for imbibing lessons in entrepreneurship and innovation management area, and successful succession planning of business of generations.

The Lineage

Family businesses assist in flourishing economies all over the globe. In Latin as well as South America, “Grupo” are the businesses fully handled by the members of a single family. These may gradually evolve in kinship partnerships as well. Diversification efforts can be seen through taking over the raw material providers, suppliers, and even

the intermediaries. In Japan, “Zaibatsus” were the family controlled businesses that ceased to exist because of World War II. Sumitoma, Matsushita, Toyota are some of the examples to be thought of in this regard. Korea, Indonesia, Germany, Sweden are lighthouses for the other countries and stand as at par exemplars for family businesses. Germany, especially, with the “Mittelstands”, a synonym for family owned businesses generate employment for more than seventy percent of the German population. There used to be a time when Wallenberg family owned around 38 percent Stockholm Stock Exchange Shares. Around 430 out of the 500 most valuable organisations reflect family entities in India. Reliance group, Tata group, Wadia group, HCL group are some organisations which touched the zenith of expansion.

There's certainly a line of demarcation between small business and family businesses. Large organisations can also be basically family businesses. This indicates the potential of family businesses to be better and better. If two or more extended family members happen to influence the functioning, owning higher percentage of the share capital, decision making, ownership etc., the entity can be termed as the family business (Davis and Tagiuri). There are some unique characteristics of family businesses like- crystal clear, distinctive ownership and management, strategic vision for safeguarding as well as blooming, being with a common communication/ language, room for out of box actions, multi- task handling, journey from subjectivity to objectivity, inclusion of family members who are not directly part of the business.

Methodology

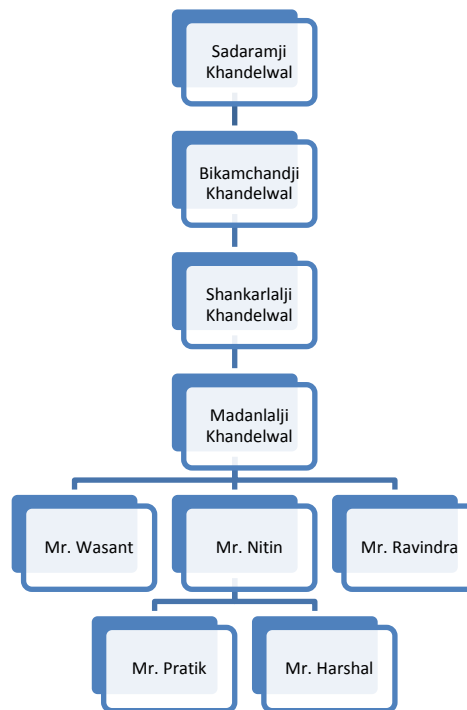
This study can be regarded as quantitative as well as descriptive in nature. It also uses both primary secondary data collection methods for the presented analysis. Primary

data is collected through unstructured/ freelance question answer session with the owner's family members backed by a kind of storytelling. This was thought in order to receive as much of the random observations/ inputs/ assertions by the owner. A structured questionnaire was also designed and used to collect data so that more insights could be brought. This enabled the comprehensive, broad spectrum grasping of the proposed study. The concept of Kaizen was utilised for broader data collection. A group of students of post graduate department of business administration and research was chosen to utilise the nascent thought process and more exploration. Secondary data is collected from related newspapers, journals, surveys, and internet (official Government websites, portals of marketers and esteemed media houses etc).

Khandelwals' : The Concomitance

Succession planning is a forward looking process that ensure the effective performance and transition of the business by providing coaching for leadership development and replacement while retaining family harmony and goodwill. Succession planning involves. The objective of this case study are to capture the unique and eternal entrepreneurial traits of the protagonist and to identify the process of succession planning of the business of Khandelwal jewellers through its six generations without any disintegration of the original business and through a smooth transition.

Six generations of Khandelwal Family have carried on the business. It is a huge family as shown in the annexure no – 1. The chart shows the huge banyan tree of the khandelwal family indicating its six generations. It took the following route to reach the present shape of khandelwal jewellers.



The Odyssey

Khandelwal family very smoothly expand their business from one generation to another generation. About Ninety Years ago Late Sadaramji Khandelwal Native of Rajsthan Started a small business of Textile. After that his son Late Bikamchandji Khandelwal continues his business by selling of utensil. Then A great Social Worker Late Shri Shankarlalji Khandelwal Son of Late Bikamchandji, brought into the the reality by his son Shri Madanlalji Khandelwal and touched to the height of sky by his enthusiastic grandsons Mr. Nitin and Mr. Ravindra.

Mr. Nitin and Mr. Ravindra the fifth generation of Khandelwal family give the wings of the family business of Khandelwal Jewellers.

Mr. Nitin and Mr. Ravindra Khandelwal are the decision maker of the Khandelwal jewellers. Mr. Harshal Khandelwal just join there business about 2 year ago and Mr. Pratik Studing in Landon. Then all event organization decision taken by Mr. Harshal.

The Midas Touch

Mr. Nitin Khandelwal the founder member and chairman managing director of Khandelwal jewellers (Akola) Pvt. Ltd, the state of Art an ISO 9001-2008 and Trust Mark certified and BIS (Bureau of Indian standards) Chain of showroom. He had promoted a very good project for akolians - city Sports club house with luxurious cottages, swimming pool, well equipped gym

and many more. He a also a director of Ganpati Moulders Pvt. Ltd, Aurangabad a company which manufactures plastic and plastic moulded equipments. He is also a director of Chintamani Housing and Infraspecs Pvt. Ltd, Thane. Mr. Nitin and Mr. Ravindra Khandelwal are the decision maker of the Khandelwal jewellers. Mr. Harshal Khandelwal just join there business about 2 year ago and Mr. Pratik Studing in Landon. Then all event organization decision taken by Mr. Harshal.

KJ3- The knack

Khandelwal jewellers always believe in total satisfaction , comfort, transparency and better service for there valuable customers. For that they are only one in Akola , had adopted and activated all modern systems.

KJ1 is furnished on multi levels on wide area, where as KJ3 is a 6 floor stand alone building, well constructed on an open to sky ground. To capture the elegance of jewellery with unlimited pleasure Khandelwal jewellers has provided following facilities at showroom.

Khandelwal jewellers Pvt. Ltd is one of the largest jewellery shop in Akola

Two way entrance

Huge waiting lobby

Air conditioned

After Sales Service

Free Karat Meter Service

High Tech but personalized service

2/4 Wheeler valet parking

Spacious Showroom

Separate old gold buying facility
Musical Atmosphere
Quality Control Department
Bridal lounge for bride and groom
Fully Computerised
BIS License Holder (Hallmark)
Trustmark certified jewellers.

They have also provided the good facility of Refreshment and Lodging Room for outstation customers.

The enactment

Khandelwal jewellers deals with the wide range of Traditional as well as fancy jewellery. They are one of prime sales promoters for the various for the Brands of National markets. They have good no. of customers in our fold who rely on us for purchase of valuable stone and diamond jewellery. Trust, Purity, Transparency, complaint resolution are the qualities of the Khandelwal jewellers. They are the best design provider and focus on customer demand. They follow Customisation. They work with government rather than following their rules blindly. During Covid 19 pandemic they provide their customers home delivery and shows their designs to their customers by online platform and also they motivate their customer to buy jewellery rather than spending it on another expenses due to covid 19. And they also advise their customer that jewellery is the one kind of investment so invest your money in bad time. So due to this they gain profit in covid 19 period. By this way they handle their business very smoothly during covid 19.

The Jewellery in the Khandelwal jewellers is customer based, aesthetically appealing jewellery maintained in wide variety at the lavish showrooms. Many renowned jewellery showrooms are the regular bulk buyer of KJ. They have good relations with other gold silver sellers.

The uniqueness of of KJ are they provide 3D design, Quickest seller, latest trend follower. They also provide design by sketch design.

The KJ manufactures gold and diamond to highest standard of its purity and quality. KJ has many examples of carving skills and dedicated work like

Rani Sati Temple Akola & Amaravati

Jain Temple at Bhadravati

Four feet high weighted 80 kg lord Ganesha at Aurangabad

A Marketing Exemplar

KJ have been proven to be very wise in designing “STP” strategies. The

segmentation bases, targeting acumen and positioning possibilities have been identified, chosen and implemented in a unique manner. Various bases of segmentation like socio- economical parameters, demographics, geography, psychographics, AIO (activities, interests, and opinions) have been utilised to modify overall functioning. Not only this but even some bases of segmentation which are analysed by big organisations and multinationals are also taken care by KJ. Value segmentation, usage segmentation, loyalty segmentation are some of these. Contrary to this, to get rid of a very small percentage of customers who may enjoy the special treatment and then walk back (treated as superficial segment), are also studied and a good number of those customers are converted into positive catalysts. Marketers strive to achieve a distinct/ different/ distinguished position in the minds of the target customers. This strife indicates the vitality of the positioning strategies. Features/ attribute positioning, benefit positioning, competitor based positioning, user positioning, application based positioning are some of the ways to better position the product/ services/ brand/ offering. KJ has been trying 2-3 of such positioning ways. Value is a core feature in this context for them. They have give the elegant touch of occasional marketing/ festivity marketing to positioning and blended it with beautiful emotional appeals. For example, Raksha bandhan, Diwali, Dussehra, Navaratri, Karwa Chauth are some of the festivals during which they have used social media creatively and launched “Swarna Mahotsva” (Gold Festival) for five days or a week.

The Recasting

Interestingly, KJ had experimented with the concept of “Two- step flow of communication”. Instead of communicating everything, every now and then to an individual customer, they had chosen some loyal customers who were highly satisfied with the offerings by KJ. These customers were requested to express their opinions and views towards the jewellery they purchased. Thus, the periphery of the family members, friends, neighbours and relatives gradually became part of KJ as first time, then occasional and then loyal customers. This was perfectly cost-effective as the catalyst loyal customers were not at all given any monetary benefits, even when they were asked for the same, they

denied it on the basis of a touch of informal relationship.

Vidarbha region of Maharashtra state includes several districts of which Akola happens to be one. The nearby two districts- Washim and Buldana are also inclined for purchases from Akola, particularly wedding related purchases like clothing and jewellery. The population of these three districts is together around fifty five lakhs according to the previous census. KJ is believed to be the foremost trustworthy name for such a vast population for purchases of all kinds- from milligrams to bulk ones.

Conclusion

India is witnessing a prolonged, exuberant and indispensable metamorphosis. The statistically and really young country is on its pursuit of probable business avenues. Pioneering of ICT (Information and Communication) technology has added colours to this very phase. One proactive step in this context may be visualised in encouraging the young generation to revamp and build on the previously existing mediocre business set- ups. The experience of founders and the versatility/ vigour of the tech savvy youngsters will beyond any doubt elicit win-win scenarios. The beauty of Khandelwal Jewellers resides in the truth that they have destined to operate in the rural and semi-urban arenas. Innovative mindsets will assist the overall economy if such instances are replicated. Eventually, it's a matter of pride when a beginner from unorganised sector stands as a spectacular example of mastering business and achieving milestones. The old maxim has to be altered for Khandelwal Jewellers. Contemplating their golden era, it should go as- "All that glitters is certainly gold".

References

1. Generation to Generation: Life Cycles of the Family Business, Kelin E. Gersick, John A. Davis, Marion McCollom Hampton, Ivan Lansberg, Harvard Business Review Press, ISBN-13 : -978 0875845555
2. Managing the Family Business : Theory and Practice, Thomas Zellweger, Edward Elgar Publishing Ltd, ISBN-13 : -978 1783470709
3. Marketing of Services- The Indian Experience, Nimit Chowdhary, Monika Chowdhary, McMillan India Ltd., ISBN 1403 92760 X

4. Services Marketing, David L. Kurtz, Kenneth E. Clow, John Wiley and Sons (Asia), ISBN 9-814-12622-5
5. Sustaining The Family Business: An Insider's Guide To Managing Across Generations, Marshall B. Paisner, Basic Books, ISBN-13 : 0738201146-978
6. The Successful Family Business: A Proactive Plan for Managing the Family and the Business, Edward D Hess, Praeger Publishers Inc, ISBN-13 : -978 0275988876
7. <https://hbswk.hbs.edu/item/cold-call-a-family-business-at-a-crossroads-scaling-and-succession>
8. <https://link.springer.com/article/10.1007/s10834-020-09732-6>
9. <https://sciencedirectassets.com>
10. <https://timestsw.com/blog-detail/top-five-family-business-management-courses-in-india/>
11. <https://www.careers360.com/courses/family-business-management-course#:~:text=Family%20Business%20Management%20Course%20is%20a%20programme%20designed%20to%20fulfil,entrepreneurship%20skills%20of%20a%20person>