Kudumbashree: Kerala’s Women Empowerment Model Case Study Solution

Introduction

Every university gives certain assignments to their students so that their learning can be improved. In the case of Harvard University, they assign case studies to their students. Most of the times their case study is about the analysis of a company or project of a product. Students are asked to analyze the whole industry where they operate or sometimes just a specific sector. Sometimes, students have to evaluate a project or company as well. And, after analyzing Kudumbashree: Kerala’s Women Empowerment Model they have to define the position of the company and give some appropriate recommendations to rectify the identified problems or to improve the company's position.

The following steps have to be followed by students to perform a detailed case analysis:

Step 1-Reading up Harvard case study method guide for Kudumbashree: Kerala’s Women Empowerment Model

Before starting an analysis students have to understand what is required? They have to make a structure which will allow them to handle the case study. To achieve the above objectives, case study guidelines are provided. Students are required to read and understand the guidelines very carefully so that they can analyze Kudumbashree: Kerala's Women Empowerment Model the given enterprise well and recommend appropriate measures for the problems identified. Poor grasping of guidelines will result an inappropriate start up and due to this the overall direction of the analysis will deteriorate. In result, one will be unable to tackle the case study in accordance with the guidelines and hence will provide inappropriate solution.
For a decent solution, one has to read the guidelines before reading the case study and then he can understand the case in accordance with the guidelines.

**Step 2-Reading the HBR Kudumbashree: Kerala’s Women Empowerment Model case study**

After reading the guidelines, students need data on which they can apply the guidelines. Case study provided by HBR is one which should be solved by students in accordance with guidelines provided. Students should read the case study well to understand the requirement so that they give their best as an output. For understanding the case study well students should read the case study twice. At the first time, they should just go through the case. This will make them familiar with the industry about which the case is based on. A case study has too much data all the data are not relevant to the requirement. Therefore, at the second time students should read the case study carefully and highlight the important data. So, when performing the solution, they can save their time by looking to the valuable data.

Students should note the following at the time of reading the case study

**At first time:**

- The industry in which the organization operates.
- The operations of the company.
- The country in which the organization operates.
- The external environment of the company.
- Understand the basics which are discussed in the Kudumbashree: Kerala’s Women Empowerment Model case.
- Problem faced by the company
- Strategy and goal of the company.

**At the second time:**

- Highlight the important data.
- Give more consideration on quantitative (numerical) data.
- Make linkage between different data.
- Consider any proposed strategy with the company goal and overall objectives.
- Identify the key players of the company.

After reading and understanding the case study one should go to the next step case analysis.

**Step 3-Doing Kudumbashree: Kerala’s Women Empowerment Model Case Analysis**
A proper case analysis starts when the reader starts reading the case a second time. Because for the analysis he has to identify the problem faced by the organization. And, this must be done in the second reading of the case. An organization may face multiple problems the reader has to identify them.

At this stage, an analyst can start to write a proper report. There should be an introduction of the company at the start so that readers of the report can get a general idea about the organization. The introduction should be focused on the company's main features like when it was incorporated, its main products, how it has grown, its goals and some other basic information. Introduction should not be more than 2 or 3 paragraphs. The report should be focused on the core theme rather than the introduction.

After the introduction, there should be a paragraph which states the problem faced by the organization. In this paragraph, problems should be in a summarized form. Students may provide a short summary of the actions which should be taken to solve these problems in this paragraph. The paragraph may be headed as a problem statement or any other appropriate heading.

Now the required working analysis of the case will start.

Step 4-SWOT Analysis of Kudumbashree: Kerala’s Women Empowerment Model case

SWOT stands for Strengths, Weaknesses, Opportunities and Threat. It is the model which can be used to evaluate the internal and external environment of the company. It is a powerful model which can help the company in making the future strategies. Analysts should use this model to identify problems and develop solutions.

Strengths

Strength evaluates the internal features which give the company competitive edge. By analyzing the strengths, company can propose the strategies which suits it hence, this will improve the position of the company in its relative market. Strengths may be like the highly skilled labor, updated technology and etc.

Weaknesses

Weaknesses evaluate the gaps of the company due to which the company is behind from the competitors. This is very important for a company to know about its weaknesses so that these can be removed. Weaknesses may be like demotivation among the labor force, unnecessary activities and etc.

Opportunities
Opportunities evaluates the external environment through them one can understand the emerging opportunities of the industry or market which can help it in increasing the market share or even to strengthen their position in the market. Opportunities may be like increase in demand of any product, availability of some new distribution channels, availability to introduce itself in the global market and etc.

**Threats**

Threats also evaluate the external environment of the industry through them one can familiarize itself by the possible threats which can jeopardize the company's position in the market. Companies should make the threat analysis continuously so that they can save their position by developing defensive strategies. Threats may be like emergence of new competitor, possible penalties due to any new or existing regulations breach and etc.

At the time of applying SWOT matrix, one should take care that they categorize each strength, weaknesses, opportunities and threat in appropriate heading and describe that how an activity with regard to str, weakness, opportunity or threat so that reader can understand well.

**Step 5-Porter 5 Forces/Strategic Analysis of Industry of the Kudumbashree: Kerala's Women Empowerment Model case**

Using Porter 5 forces, one can analyze the position of the organization in the industry where it operates. Porter 5 forces consider five factors: Bargaining Power of Customers, Bargaining Power of Supplier, Threat of Substitutes, Threat of new Entrants and Competition Rivalry.

These five forces consider a micro-environment. These will evaluate the market strength of the company in which it operates and its ability to serve the customer and earn profit.

**Bargaining Power of Customer**

This evaluates how much powerful the customer is? And how much they can effects on the company's profit? Customer power is presumed high when there are too many alternatives available in the market. It will also be high when there is no or low switching cost. In opposite to it, this will be low when the supplier has a good brand name, there are no or few alternatives are in the market or when the switching cost is high.

**Bargaining Power of Supplier**

This evaluates how much powerful the supplier is? and to what extent it can affect the purchasing of the company? Supplier power is presumed high when the company does not have alternative supplier or when there is a risk that the quality of the product will deteriorate due to changing of supplier. It will also be high when company has to face a huge cost in switching to the new supplier.
Threat of Substitutes

This is a threat that if the company does not supply in accordance with the customers need then they can switch to substitutes of the product. Like customer can switch from tea to coffee as they are substitutes. Customers switch to substitutes when the price of any product is high or when the product is of low quality or due to any other reason.

Threat of New Entrants

Threat of new entrants will describe the difficulty level to enter any market. There are some natural barriers over entrance which makes the threat low. For example, to operate in the aviation industry one need a huge amount of capital investment. Along with natural barrier companies also create some artificial barriers like restricting distribution channels and etc. Regulations and economies of scale may some other type of barriers.

Competition Rivalry

This will evaluate how much competitive the market is in which the company operates. If there are only a few suppliers in the market, then competition will be low. Furthermore, if there are strict entry barriers then the competition rivalry will also be low.

Step 6-PEST Analysis in HBR Kudumbashree: Kerala's Women Empowerment Model cases:

This tool is used in the HBR cases to analyze the external environment which affects the organization, company, city or country. It is widely used after performing the SWOT analysis so that the company is well aware of its possible threats and opportunities due to the changes in the environment.

In strategic management course, we have learnt about performing PESTLE also known as PEST where legal environment conditions are not affecting the country and its organization much. P stands for Political, E stands for Economic condition of the country, S stands for social condition of country, T stands for technological advancement and innovation, L stands for legal environment and E stands for physical environmental changes.

PEST has got so much recognition in the performing analysis for different companies so to get a better understanding of the whole tool, it is defined in more details below:

Political:

Before starting its operations, it is necessary for a company to check the feasibility as well as the political conditions of the country. What is the cost of operations in that country, how much tax it will be required to pay, how much is the license fees, what are
the rules and regulations for getting a company registered and what is the penalty if a company is unable to fulfill those requirements.

How frequently and quickly a government changes and whether there is any political dominance in the country or not. These things should be taken into consideration before taking decision to start its operations in any country for a company.

**Economical:**

It is necessary that the company should have a growth potential and country is growing rapidly otherwise it would be a negative sign for a company to enter into the market. Both micro and macro-economic analysis should be performed to check the inflation rate, currency revaluation and devaluation's impact on company, how frequently the exchange rate is changing, per capita income, growth rate, unemployment rate, interest rate, taxes, government policies and money supply as well. This gives a crystal clear picture to a company whether they can survive with the present economic conditions or not.

**Social:**

This tool is used to analyse the behavioral and demographic factors of the people in the organization. How frequently the consumer’s demand and taste is changing and which age group will be your target market and how will they react to a product launched by the company. What are the facilities available in the country for education, health and personal development? What is the attitude of people towards changing work environment and how sensitive they are in case of religious matters? How do they adjust in the diversified working environments?

**Technological:**

This is the most important in today's high-tech environment. It is necessary for each company to analyze the technological advancement and if a company is lacking in any technical work, it should be outsourced or should be done before their competitors take benefit out of it.

In this company, also analyze Kudumbashree: Kerala's Women Empowerment Model the infrastructural changes which are necessary to provide its employees a congenial work environment so that they can demotivated. They should update themselves with the latest technology and software available such as using tabs for taking orders rather than still doing it manually etc.

**Step 7-Financial Analysis of Kudumbashree: Kerala’s Women Empowerment Model**

Financial analysis of the company is performed to assess the financial position, and to see how effectively the company has been operating into the market as compared to its
counterparts.

**Vertical Analysis**

Vertical analysis are carried out to see how effectively the company's financial statements are increasing and decreasing with respect to the assets. Assets are selected as base for the analysis of the financial statements of the company. In the vertical analysis assets are used as benchmark to assess position of the company in rows in balance and income statement. But, the income statement is also analyzed in vertical analysis but the sales is selected as base.

**Horizontal Analysis**

Horizontal analysis is also called as trend analysis of the financial statement of the company. Through trend analysis, it can be determined that by what rate the company has grown as compared to previous years. The horizontal analysis is performed on two years to compare the performance of the company for two consecutive years. Furthermore, trend analysis is a much more effective way to assess the position of a company in short-term period.

**Ratios Analysis**

Ratio analysis is a quick technique to assess the position of the company in the market. Such as profitability ratios indicate how much company has been earning on each dollar of investment in the assets, or overall return on assets, and overall return on equity. Similarly, leverage ratios are used to assess the leverage position of the company that how effectively could it meet with outstanding debt obligation. Meanwhile, other ratios such as earning per share, price to earn ratio, dividend payout ratio, and retention ratio are used in assessing the investment position of the company.

**Free Cash Flow Analysis & Valuation**

Free cash flow analysis of the company is calculated to value the company. In this method, all free cash flows are calculated along with the terminal value. Terminal value is long –term value of the company that adds to cumulative discounted free cash flows to value the company. With this method value of the company is calculated.

**Step 8-Implementation of some other frameworks**

For the analysis purpose some other models can also be use like SFA which stands for suitability, feasibility and acceptability. In this model, one can evaluate that how much the proposed proposal suits the company. Is company able to complete the project? This can be evaluate through feasibility. And lastly, the risk of the project or valuation can be done through evaluating its acceptability.

**Step 9-Selection of Alternatives**

It is very important for the company's success, to choose the option which suits it the best. From different available companies, one should choose the option which is in
accordance with its risk appetite and increases the net worth of the company more than any other option.

**Step 10-Evaluation of Alternatives**

Selected alternatives can be evaluated using different methods. One can choose the option on the basis of pros and cons or may decide to choose that option which meets the targeted IRR or simply the one which is less sensitive.

**Step 11-Recommendation for Kudumbashree: Kerala’s Women Empowerment Model**

After evaluation of alternatives and understanding the problems of the company together with the analysis made the student should make recommendation to the company through which they can solve their problem. Recommendation should be justified.

**Step 12-Feedback and control**

At last, students should give their feedback that how the recommended solution for Kudumbashree: Kerala’s Women Empowerment Model will help the company in solving their problems along with the benefit of the recommendation. They should also give some advice about the controls so that company can protect itself from any future problems.

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