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# The growth pattern of women-run enterprises

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## ABSTRACT

*This paper explores the configuration of strategic elements in WOE's. Mrs. Rajni Bector founder of the MRS. BECTOR'S CREMICA started her new career from a housewife turning her passion for ice cream-making through small backyard enterprise into an entrepreneur in the year 1980. Shahnaz Husain was another successful woman entrepreneur of India. Her company, Shahnaz Husain Herbals, was the largest of its kind in the world had a strong presence in over 100 countries. The life-cycles of female-owned business ventures and the strategic management approaches of their owners follow the same patterns found in all successful ventures.*

### Introduction :

Women owned businesses are increasing in almost all countries. The hidden entrepreneurial potentials of women have gradually been changing with the growing sensitivity to the role and economic status in the society. Skills, knowledge and adaptability in business are the main factors for women to emerge into business ventures. 'Women Entrepreneur' is a person who accepts challenging role to meet her personal needs and become economically independent. A strong desire to do something positive is an inbuilt quality of entrepreneurial women, who is capable of contributing values in both family and social life. With the advent of media, women are aware of their own traits, rights and also the work situations. The glass ceilings are shattered and women are involved in every line of business from pappad to power cables. The challenges and opportunities provided to the women of digital era are growing rapidly and the job seekers are turning into job creators. They are flourishing as designers, interior decorators, exporters, publishers, garment manufacturers and still exploring new avenues of economic participation. In India, although women

constitute the majority of the total population, the entrepreneurial world is still a male dominated. Women in advanced nations are recognized and are more prominent in the business world.

Previous research suggests that success of an enterprise is a function of the "fit" between strategic elements like: shared values, strategies, structures, systems, staff, skills and styles. The strategic fit is determined by the organizational properties of the enterprise and the external environment in which it functions. This paper explores the configuration of strategic elements in two WOE's examined via case studies.

Business literature provides conflicting views regarding the nature of strategic management in successful

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women-owned enterprises (WOEs). For example, many writers have concluded that women entrepreneurs behave differently from men and that several factors unique to women determine their success or failure. The implication is that women enter business for different reasons than male entrepreneurs and that their personality characteristics, strengths and weaknesses as business leaders are different. Consequently, the strategic management of WOEs tends to be distinctly feminine.

Other researchers, however, maintain that the behaviors of women and men as entrepreneurs are very similar. This research suggests that strategic management in WOEs is similar to that in male-controlled enterprises. According to this line of reasoning, the entrepreneurial characteristics of male and female entrepreneurs are similar. A growing venture would pose similar challenges, problems, and opportunities for all entrepreneurs; hence, to succeed, male and female entrepreneurs need to respond similarly.

Two contrasting models of strategic management in WOEs can thus be derived, following the logic of current research on women and leadership in organizations. These divergent traditions can be identified as the feminine mode and the entrepreneurial mode. The feminine mode suggests that women behave differently as entrepreneurs and managers. As such strategic management in WOEs would be quite distinct from that seen in a typical successful small firm and would generally correspond with the previously identified "feminine" leadership style.

In contrast the entrepreneurial mode is derived from the assumption that female and male leaders are similar. This suggests that female entrepreneurs tend to manage their ventures in much the same way that successful male entrepreneurs do.

This article has two primary objectives: (1) to provide a brief review of the strategic management in women-owned enterprises; and (2) to test, in a preliminary way, whether Strategic management in WOEs reflects the same patterns as any other successful venture.

## **MRS. RAJNI BECTOR**

Rajni Bector was just a housewife before she started selling her kitchen-made ice creams at Diwali Melas in the late 1970s. Mrs. Rajni Bector founder of the MRS. BECTOR'S CREMICA started her new career from a housewife turning her passion for ice cream-making (also her hobby) from a small backyard enterprise to an entrepreneur in the year 1980 with a meager investment of Rs. 20000/- for the manufacturing of Ice Creams & Bakery items. The CREMICA Group established in 197, today is into widely diversified food products and Services Companies with an annual sales figure of INR 1 billion, growing at a rate of 30 per cent per annum.

Today, Cremica group sales of Rs.200 crore (Rs.2 billion) and is an important link in the supply chain to the fast food industry with an inventory of buns, breads, sauces, ketchups and ice creams toppings to the likes of McDonalds and syrups and mayonnaise to Barista. The timing of the venture's commencement and the conservative approach affluent families had towards working women were factors that ensured things were not all that smooth for this entrepreneur.

Rajni is one of the first women entrepreneurs in the region. The timing of the venture's commencement and the conservative approach affluent families had towards working women were factors that ensured things were not all that smooth for this entrepreneur."As I came from a well-off family, money was not the factor for which I was working. However, it could have been a reason strong enough to stop me from working, as women from affluent families did not work then. People talked a lot about it, but then all that didn't bother me," says Rajni. And her firmness was what also changed the conservative approach people had towards women who worked.

Her ice creams were a hot favourite with friends and she initially started off with supplying them at parties. The turning point was when once she put up a stall at a fete where another leading ice cream manufacturing company also had its stall."I had never thought people would buy my ice creams. But they preferred us to them and our stock was over in no time. That was when I thought of doing it on a large scale - the company got registered and Cremica was born," she fondly remembers.(1974-75)

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Cremica is now about to reach an annual turnover of Rs 150-200 crore. The group has a couple of units, including Cremica Frozen Foods, EBI Foods, Mrs Bector's Desserts and Cremica Agro India, which is engaged in manufacturing products like ketchups and namkeens. The company also plans to come out with readymade gravies shortly. The products are exported to Africa, the USA and UK.

She considers herself lucky in business as the concept she came out with was then relatively new. Her attitude to experiment and bring out new flavours and products was something relatively new and well received. Innovation and emphasis on quality is what she thinks helped her carve a niche. "I never compromised on quality, even if it meant buying expensive raw material. Now we are even importing some stuff. And I also ensured that we regularly came out with new stuff for which I used to read a lot," she reveals.

While achievements have been many, including awards and the contentment, order by McDonald's, Rajni says, has been no less than an accomplishment. "While they were looking forward for the best in quality, our selection was something I was really proud of."

Cremica has been business partner of McDonald's since the latter started operations in India. The company supplies buns, ketchups, toppings, "in fact most of the raw material," says Rajni.

Cremica supplies one-lakh buns a day to McDonald's. Besides Cremica has also partnered with Cadbury's ITC and EBI Foods, a UK-based firm. The company also supplies biscuits for the World Food Project, shipping low fat biscuits across the world, particularly to the war-torn areas of Afghanistan and Iraq.

However, for her, it is family that has always remained the priority. "Though there never was this typical problem of maintaining a balance as my children were grown up by the time I started, I never compromised on it also. There were times when I would not sleep and work at night so that I could spend time with my family."

Rajni says she never faced problems in managing people. "It is not about managing men or women; it is about dealing with people. Perhaps this attitude

helped me and I always had full support of those working with me,". And today while her three sons have joined her business, 62-year-old Rajni remains as active and passionate about her work.

### **Path to Growth: Her mantra of success?**

Mr. Ajay Bector her eldest son joined her in the year 1982 to help her with the increased business volumes. In the year 1986 she started another unit at Ludhiana for the manufacturing of Bread and bakery biscuits with an investment of Rs. 1.00 Lac. Mrs. Bector's younger sons Akshay Bector & Anoop Bector after completing their education joined the business in 1989 and a unit for manufacture of bread was established at Phillaur near Ludhiana in the year 1989 for the manufacture of 50000 loaves of bread per day. In the year 1991 Mrs. Bector started another fully automated unit for the manufacture of Biscuits at Phillaur with a capacity of 7200 M.T. of Biscuits per annum with an investment of Rs.75.00 Lacs. In the year 1992 Mrs. Bector's Cremica established a manufacturing facility for confectionery items followed by a unit for the manufacture of Namkeens.

In the year 1997 McDonalds approached Mrs. Bector for supplies of various products i.e. buns, liquid products and batters & breadding. This was a golden opportunity for the Bector Family and the family entered into various Joint ventures so that international expertise could help them produce international level products compared to the best in the world. In the year 2002 a modern Bun Manufacturing facility manufacturing over 150000 Buns per shift was established at greater Noida for supplies to McDonalds. This is one of the most modern units of its type in the country. In 2003 a foray was made into Fresh Vegetable Processing and a modern facility for processing of fresh vegetables like lettuce, cut vegetables etc for supplies to McDonalds was made at an investment of Rs. 15.00 Million. In the year 2004 Mrs. Bector's Cremica entering into an Agreement with ITC Ltd. for the manufacture of Biscuits on contract manufacturing basis at Tahliwal, Distt Una (H.P.). A state of the art facility was established for the manufacture of 60000 M.T. of biscuits at a cost of over Rs. 25.00 Crores producing biscuits valued at over Rs. 200 Crores P.A. This unit produces 30000 M.T. of biscuits for ITC under the SUNFEAST BRAND and 30000 M.T. under the Mrs. Bector's Cremica label.

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In the year 2004 the Group also entered in to an agreement with Cadbury India Ltd. for supply of Cadbury Bytes with an investment of Rs. 3.00 Crores producing goods valued at Rs. 30.00 Crores annually. In the year 2007 the Group was offered an opportunity for Equity participation by Goldman Sachs. The liquid products & biscuit operations were valued by Goldman Sachs at Rs. 500.00 Crores. The group offered Goldman Sachs 15% equity for Rs. 75.00 Crores to help speed up its expansions with the equity infusion.

In 2007 McDonalds offered Mrs. Bector the bun business for West & South India and a new state of the art unit was established at Taloja, Navi Mumbai. In the year 2007 Mrs. Bector acquired a unit at Karnal, Haryana for the manufacture of Indian Namkeens.

The group has in the year 2007 acquired new industrial sites at Ludhiana (Punjab), Kundli (Haryana), Raigad (Maharashtra) & Pune in Maharashtra for further expansions.

Creteca is one of the largest food processing companies of India with an annual growth rate of 50% year on year basis in the last 4 years. The quality, the taste and the penchant for perfection is what has given the required thrust to sales. From a single plant at Phillaur, today Creteca has a number of plants situated at various locations all over India.

She has worked diligently, taking risks and setting her targets high. After her ice-creams, she set up an automatic bread-making plant with a capacity of 50,000 loaves. A biscuit-making unit followed soon after. The capacity of this plant has been increased six times due to the demand. Her crowning glory came when McDonald's short-listed her as one of their major suppliers. She alone supplies 50,000 buns to them per day. With this success, she established a joint venture with the world famous Quaker Oats Co. of USA for the manufacture of tomato ketchup, chilly sauce, mustard sauce, mayonnaise and many other items. They have recently introduced range of sherbets and squashes also. Bector has gone into another joint venture with EBI, Foods Ltd. UK. Next in the pipeline area a number of units to manufacture a complete range of namkeens (in October).

Rajni believes that "in this business, quality control is very important". To keep the quality to world standards,

she supervises everything herself. She further feels, "It is in each one of us to do something. We just have to have the will-power to make our dreams come true."

Creteca's presence in the market is visible on account of its vast range of products, which include:

Biscuits

Sauces, Jams and Ketchups

Indian Snacks

Ready to Eat Food

Condiments

Frozen Products

Bakery Products

In the course of the past two decades, The CRETECA Group has established itself as a huge food products conglomerate, leading the food processing business through its range of products, its internationally certified production facilities, the consistency of its quality, and its unmatched expertise in the industry. This gives the Group a critical edge in the market, enabling it to entrench itself as a leading supplier to global and Indian food giants like McDonalds, Pizza hut, Cafe Coffee Day and BARISTA, to name just a few.

### **SHAHNAZ HUSAIN**

Shahnaz Husain (Shahnaz) was another successful woman entrepreneur of India. She popularized herbal treatments for beauty and health problems. Her company, Shahnaz Husain Herbals, was the largest of its kind in the world and had a strong presence in over 100 countries, from the US to Asia. By 2002, the Shahnaz Husain Group had over 650 salons around the world, employing about 4200 people. The net worth of the Group was \$100 million.

Shahnaz Husain was born into a royal Muslim family which originally came from Samarkand (in Pakistan) and later held important posts in the princely kingdoms of Bhopal and Hyderabad before India's independence.

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Shahnaz's father, Justice N.U Beg, was a progressive man who instilled in her a love for poetry and English literature. Shahnaz Husain received her schooling in an Irish convent. A western education coupled with a traditional family background gave Shahnaz Husain wide exposure and developed her into a well rounded personality. She was married at the age of 15 and had a child by the next year.

When her husband was working in Iran, Shahnaz Husain became interested in cosmetology. After she began her training, she realized that chemical cosmetics had a harmful effect on the human body. As a result, she turned her attention towards ayurveda, the ancient Indian system of medicine, which used natural substances and extracts to heal and improve the body. Subsequently, she trained extensively in cosmetic therapy for 10 years in some of the leading institutes of London, Paris, New York and Copenhagen. On her return to India in 1977 she set up her own salon at her house in Delhi with an initial investment of Rs 35000. Instead of offering chemical treatments like other salons, Shahnaz Husain's salon offered Ayurvedic treatments. Shahnaz's custom made natural products for skin and hair problems quickly became successful.

Shahnaz Husain pioneered the commercialization of ayurvedic cosmetics. Until she started her business, ayurveda was practiced in peoples' homes or by local ayurvedic doctors. The commercialization of ayurveda was relatively unknown in the 1970s when Shahnaz Husain entered the business. Shahnaz Husain capitalized on this deficiency. She identified ayurveda as a niche market and catered to it. Her products gained popularity in India, and her treatments were booked months in advance. Encouraged by her success in India Shahnaz Husain started exploring avenues abroad. She was disturbed by the fact that India was not represented in any of the international beauty forums. Determined to change the situation, she represented India for the first time in the CIDESCO beauty congress, where she was appointed President for the day's proceedings. She used this opportunity to focus the world's attention on India and ayurveda.

The turning point in her business came when she represented India at the Festival of India in 1980. Her team was given a counter in the perfumery section of Selfridges in London. She managed to sell her entire

consignment in three days and also broke the store's record for cosmetics sales for the year. As a result, she was offered a permanent counter in Selfridges. Shahnaz Husain was also the first Asian whose products were retailed in the Galeries Lafayette in Paris and to be featured in the 18-foot shop window of the store. Although it was not easy to enter the highly competitive western markets and especially difficult to attract attention to the Indian system of ayurveda, she was able to gain a firm foothold in the markets. Shahnaz Husain products were carried by many prestigious stores across the world such as Harrods and Selfridges in London, the Galeries Lafayette in Paris, Bloomingdales in New York, the Seiyu chain in Japan, Sultan Stores in the Middle East and other exclusive outlets in the Middle East, Asia and Africa. Shahnaz Husain believed in flexibility in business.

She said that she did not believe in rigid principles of management, and that she often went beyond pure management principles because 'dua' (blessings) was more important to her. She did not advertise because she knew that her products spoke for themselves. Since she relied on her products for publicity, she had to ensure that they were of good quality. To maintain a high level of quality, all her products were put through strict quality control processes. Even the raw materials went through stringent quality tests before they were used. By not advertising, she gave her products an aura of glamour and exclusiveness. Shahnaz felt that entrepreneurship was about dreaming and having the determination to achieve that dream.

## **CONCLUSION**

The number of such WOE's may be expected to increase further as more women gain education and experience in these fields. Like their male colleagues, female owner/managers are said by proponents of the entrepreneurial model to possess the entrepreneurial personality profile. This includes characteristics such as high levels of achievement motivation, autonomy, persistence, aggression, independence, non-conformity, goal-orientation, self-confidence, leadership, and internal locus of control. And in fact Innovation, creativity, persistence, confidence and above all faith were the main tools in their success.

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The life-cycles of female-owned business ventures and the strategic management approaches of their owners are said by the group of researchers to follow the same patterns found in all successful ventures. Like other enterprises, WOE's start small with few employees, short on all types of resources and struggling to survive. The key question faced is, "Can we get enough customers and deliver enough products and services to become a viable business?" As the business survives, grows, and becomes profitable, the owners tend to adopt more aggressive strategies and to put more formal systems and procedures in place, starting with such areas as cash flow planning, inventory control, and revenue and expense record-keeping. Later on, as the business moves into the high-growth stage, they may employ full-time, trained staff to manage the routine operations. Planning and budgeting are likely to become more crucial, with the entrepreneur increasingly disengaging himself or herself from day to day matters, and paying increasing attention to long-term strategy.

Thus, the argument continues, WOE's follow the same prescriptions as any other successful venture. Strategic management in WOE's reflects the same patterns in the areas of shared values, strategies, structures, systems, staff, skills, and styles as is typical of all successful ventures over their life-cycles. WOE's no doubt tend to be small, cautious and modestly profitable in the early stages, but some grow into large businesses depending on the environment, personal objectives and background factors of the owner managers.

Some women find entrepreneurship attractive in order to minimize or to escape social and organizational barriers to success. Among the cases studied, urge to prove themselves was one of the more important reasons for the individual's move into business.

Customer orientation, finding a viable niche, and establishing a credible market image appeared to be key marketing strategies for this group of women entrepreneurs. They also emphasized superior customer service and innovative or unique products or services. Empowering women entrepreneurs is essential for achieving the goals of sustainable development and the bottlenecks hindering their growth must be eradicated to entitle full participation

in the business. As a result, the desired outcomes of the business are quickly achieved and more of remunerative business opportunities are found. Henceforth, promoting entrepreneurship among women is certainly a short-cut to rapid economic growth and development. Let us try to eliminate all forms of gender discrimination and thus allow 'women' to be an entrepreneur at par with men.

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