

Case Study of ABC Dhampur

ABC Dhampur consistently recorded profit and increased productivity of the workman since its inception. After the price decontrol of sugar, many new players have started producing sugar under collaboration with international firms having latest technology and making profit by cost reduction. In the past ABC Dhampur had gone for backward integration by developing its own plantation. With the liberation, the import of sugar became cheaper and the new players are importing the inputs.

The company's performance in terms of productivity and profit has gone down due to the changed environment. The Board of Directors of the company decided to take the following steps:

- a) Modernization and automation of the plant
- b) Reduction of man power by introducing the voluntary retirement scheme
- c) Disposal of captive plantation area and switch over to the import of inputs
- d) To reconstruct the organization and separating materials management from manufacturing, production planning and control from the traditional manufacturing activity
- e) Introduction of computerization and developing a strong MIS

Questions:

- Q1. What are the advantages of turnaround strategy?
- Q2. Give a similar example of turnaround strategy.
- Q3. Bring out any other special points arising from this case.