CHAPTER VII

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

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7.1 INTRODUCTION

In this chapter the researcher presents the summary of the findings of her study and on the basis of her findings, certain suggestions have been made for improving the performance of the Sarvodaya Sanghs. The objective of the study is to analyse the production performance, sales performance, financial performance and the attitudes of the users and non-users towards the sarvodaya products.

This study has been a case study concerning the Kanyakumari District Sarvodaya Sanghs, consisting of two units, which form the case units, namely the Kanyakumari Sarvodaya Sangh and the Eraniel Sarvodaya Sangh. The Kanyakumari Sarvodaya Sangh is located at Vagaiady Street, Nagercoil and the Eraniel Sarvodaya Sangh is located at Eraniel in Kanyakumari District.

The researcher has collected the primary data by using the questionnaires (Vide Appendix A and B) and the Secondary data has been collected from previously published and unpublished records, the annual budgets and the audited accounts of the study units.
7.2 SUMMARY OF THE FINDINGS

7.2.1 Production Performance

The production performance regarding textile products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory. The percentage share of the textile value in comparison to the total value of the products is also satisfactory.

The production performance regarding Khadi products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory based on the average index number analysis. But the percentage share (37.57 percent and 84.31 percent) of khadi products when compared to the total value of textile products is not satisfactory. The reason for this situation is the shortage of funds.

The production performance regarding readymade products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory. The percentage share (27 percent and 41.26 percent) of readymade products in comparison with the total value of textile products is also satisfactory.

The production performance regarding Lape products, Carding Tape, Final Tape, Final Sliver and N.M.C. Yarn Products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh seems to be non-
satisfactory. The reason for this situation is that the Khadi Commission straight away supplies sufficient fresh sliver at a low cost to the artisans.

The production performance regarding non-textile products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory based on the index number analysis. When we analyse the percentage share (17.89 percent and 27.04 percent) of non-textile products in comparison with the textile products, we find increasing and decreasing trends. The reason for such fluctuation results from the fluctuation of demand.

The production performance regarding Agmark Honey in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory. The percentage share (39.29 percent and 59 percent) of Agmark Honey when compared to the total non-textile products is satisfactory. The production performance regarding non-textile products like soap, wood and steel furniture and leather goods in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is not satisfactory. The reason for such a decreasing trend is the shortage of funds, high level of competition in the market and the increase in the cost of production for Sarvodaya products.

The compound growth rate of the production performance in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is significant at one percent level. But both the sanghhs have also a negative growth rate with regard to textile and non-textile products.
7.2.1 Sales Performance

The sales performance regarding textile products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory. The percentage share (79.43 percent and 62.44 percent) of textile value compared to the total value of the products is also satisfactory.

The sales performance regarding khadi products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory. The percentage of share (65.23 percent and 71.99 percent) of khadi products in comparison with the total textile value of the products is also satisfactory.

The sales performance regarding silk and woolen products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory in the index number analysis. But the percentage of share (28.20 percent and 23.53 percent) compared to the total textile products is not satisfactory. The reason is that the demand for woolen products is comparatively low.

The sales performance regarding polyvastra products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory in the index number analysis.
But it is not satisfactory in percentage share (5.59 percent and 4.80 percent) compared to total textile products. The reason for this is the increase in the cost of production.

The sales performance regarding non-textile products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory. The percentage share (20.57 percent and 37.57 percent) of non-textile products to the total value is also satisfactory.

The sales performance regarding soap, footwear and the wood and steel products in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is not satisfactory. The reason for this non-satisfactory situation is the heavy competition and the high cost of production.

The sales performance regarding agmark honey in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is satisfactory based on the index numbers. The percentage share (17.69 percent and 36.26 percent) of honey is insignificant. The reason for such fluctuation is that the availability of agmark honey is only seasonal and the government does not give funds for purchasing honey.

The compound growth rate of the sales performance in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh has been significant at one percent level for the textile products and non-textile products.
7.2.3 Financial Performance

The financial performance of the Kanyakumari District Sarvodaya Sanghs has been analysed with the help of the profitability ratios, turn over ratios and the financial ratios. The profitability ratio consists of the gross profit ratio and the net profit ratio.

The gross profit ratio in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is 16.27 percent and 18.22 percent on an average respectively. This ratio does not seem to be satisfactory. The reason is the increase in the cost of production and the decrease in sales.

The average net profit ratio of the two sanghs are (-) 93.92 percent and (-) 88.40 percent. This ratio does not seem to be satisfactory. The negative average net profit shows that the sanghs are running at a loss. Because of the lack of funds, the production as well as the sales has decreased in both the sanghs.

7.2.3.1 Turnover Ratios

This ratio consists of stock turn over ratio, debtors turn over ratio, creditors turnover ratio, fixed assets turn over ratio and the working capital turn over ratio.
The stock turn over ratio indicates whether the investment in the inventory is efficiently used or not and it explains whether the investment in the inventories is within the proper limit or not. The average stock turn over ratio calculated in the study units are 1.16 times and 1.53 times respectively. It shows the blockage of funds in the inventory, which may be a reason for the heavy loss.

Debtors are considered as the important constituents of current assets and therefore the quality of debtors, to a great extent, determines a firm's liquidity. Accordingly debtors' turn over ratio shows an average of 10.92 and 27.46 times respectively during the study period. It shows that the debt collection department is efficient in collecting the dues.

Creditors turn over ratio indicates the speed with which the payments for the credit purchases are made to creditors. During the study period, the creditors turnover ratio in the case units is 1.87 times and 2.51 times on an average. This situation affects the credit worthiness of the study units.

Fixed assets turn over ratio indicates the extent to which the investment in fixed assets contributes towards sales. The average ratio calculated during the study period is 4.18 and 4.02 times. It is inferred that the increase in fixed asset has not brought out a proportionate increase in sales.
The average of the working capital turn over ratio in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh is 1.06 times and 1.34 times. The sanghs have a higher ratio than the average during the first five years and a lower ratio during the remaining five years of the study period.

7.2.3.2 Balance Sheet Ratio (OR) Financial Ratio

The Balance sheet ratio consists of the current ratio, the liquid ratio and the fixed assets ratio.

The average of the current ratio in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh was 2.95 times and 3.26 times. It is higher during the study period. The higher current ratio indicates that the sangh has an inadequate employment of funds.

The average liquid ratio in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya Sangh has been 1.40 times and 1.43 times. The liquid ratio of the sanghs is satisfactory.

The average of the fixed assets ratio in the Kanyakumari Sarvodaya Sangh and in the Eraniel Sarvodaya sangh is 5.11 times and 1.32 times. The accepted norms for fixed assets ratio are less than one, while the fixed asset ratio in the sanghs are more than one. It is not satisfactory.
7.2.3.3 Attitudes of the Users

The researcher has made an attempt to measure the attitudes of the users and the non-users of the sarvodaya products. The researcher has selected 400 user respondents for the study. It is inferred that out of the 400 respondents selected for the study, 72 respondents are at high level of attitudes, 250 respondents are at medium level of attitudes and 78 respondents are at low level of attitudes.

The researcher has identified certain socio-economic factors, which influence the attitudes of the respondents and has tested them with the help of the chi-square test. It is proved statistically that the factors like occupation, educational qualification, family size and mode of purchase influence the attitudes of the respondents.

7.2.3.4 Attitudes of the Non-Users

One hundred non-users were contacted in order to identify the various reasons for the non-purchase of Sarvodaya Sangh products. High price, poor service, old fashion and unattractive goods are the major reasons stated by them for their non-buying of sarvodaya products. Other reasons for their non-purchase are the availability of lesser number of branches, the lack of powerful advertisement, the limited product range and the inconvenient working hours of the Sarvodaya Sangh sales outlets.
The respondents were required to specify the facilities needed by them for becoming future users of Sarvodaya Sangh products. Availability of more number of Sarvodaya Sangh products along with the other manufacturers' products, increased facilities for shopping, such as, acceptance of credit card, posh shopping outlets, availability of new products and frequent advertisement during rebate period are some of the facilities required by them.

7.3. SUGGESTIONS

1. It is suggested that new designs and patterns may be introduced.

2. The artisans should be given proper training about the new technologies to increase their efficiency.

3. The village industries products are not entitled for any rebate or subsidy or extra funds, especially, agmark honey and wood and steel furniture.

4. To increase the sales performance, it is recommended to open more sales outlets in rural areas and give more advertisements during festival and rebate seasons.

5. The sanghs are highly dependent on the outsiders' funds. Hence it is suggested that steps are to be taken to generate internal funds.

6. The sanghs have internal administrative problems. The government has to take remedial steps to solve these problems.

7. To increase the production performance, the sanghs have to introduce incentives to boost up the production, besides the wages to the artisans.
8. The government employees may be compelled to purchase the sarvodaya products and the village industries products.

9. Credit facilities may be extended to private employees also.

10. The credit card facilities also may be encouraged.

11. In the modern world, there is a problem of global competition. To face this problem, the Sarvodaya Sanghs may improve the quality of their products to attract more consumers.

12. To attract more consumers, the Sarvodaya Sanghs should change their packing system and introduce new attractive packing styles in order to attract new consumers.

7.4 CONCLUSION

It may be concluded from the study that in general, the performance of the Sarvodaya Sanghs in terms of production, sales and financial performance had been satisfactory during the first few years. Afterwards their performance was not satisfactory. The reason for such a case is the non-availability of funds and subsidies. The study underlines the need for an improvement in order to achieve a higher level of performance in all dimensions. In this context, it is hoped that this study would serve as a feedback exercise and provide the needful directions for improving the overall efficiency of the Sarvodaya Sanghs in their production, sales and financial performance and to attract many more consumers in future.
Scope for Further Research

Since the present study aims at exploring the possible areas of achieving sales efficiency and financial stability of the Sarvodaya Sanghs as well as increase in the number of consumers the following areas are identified by the researcher as affording new fields and scope for further research into this area:

I. A study on the problems faced by the Sarvodaya Sanghs in marketing their products.

II. A study on the roleplayed by the Sarvodaya sanghs in eradicating poverty and unemployment among the women folk in the villages.

III. A study on the psycho-socio-economic conditions of the artisans and the workers and their impact on Sarvodaya Sangh.

IV. A study on the problems faced by the workers.

V. A study on the recruitment of workers and the schemes provided to the workers of the Sarvodaya Sanghs.

VI. A study on the Sarvodaya Sanghs on the effective utilisation of the finance provided by the Khadi and village Industries Commission.

VII. A study on the technical training given to the employees of the Sarvodaya Sanghs.

The researcher presents the study with the fervent hope that this will draw the attention of future researchers and help them for their research and the researcher will feel that she is amply rewarded.