

PUNE'S ICONIC KAYANI BAKERY: A CASE STUDY OF FAMILY BUSINESS MANAGEMENT

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Abstract

The transmission of family business expertise and accumulated technology throughout a succession of family businesses through legacy or transfer of ownership plays a significant part in economic growth by maintaining the company's sustainability. This case study investigates the roles of family businesses in the bakery. The market for bakery products in India was worth USD 7.5 billion in 2020 and is expected to grow to USD 13.0 billion by 2027⁷. The bakery industry, one of the industries with the highest growth, includes pastries like biscuits and cakes. Consumers have very little choices other than to back to the homemade snacks of the yesteryear because of the high expectations of today's millennial consumers and the time the product in their employment. Instead, the bakery items are popular substitutes with a wide selection of wholesome options. The consumer's demand for snacking, bakery items is met by popular companies. At the same time Pune-based Kayani bakery has creating brand loyalty from more than seven decade. The premium products like the Shrewsbury biscuit and Madeira cake are unique and may not be found anyplace. This is a case study of family business management. In this context, family business studies have conducted significant attempts to better understand stability, transmission, and how entrenched businesses develop their base in firms that become predominantly family businesses.

Introduction:

Being among Pune's earliest and most popular bakery, Kayani Bakery was recognized for its wonderful bread, cakes, and cookies. In 1947, Khodayar and Hormuz Kayani traveled to Iran to Pune. Khodayar Kayani, who established the bakery in August 1955. He had grown up in Iran learning the craft of baking from his father.¹ The Shrewsbury scone, the bakery's flagship item, quickly became well-known, and it eventually expanded its menu to include additional delicacies. Kayani bakery significantly expanded their manufacturing capacity of their specialty items like Shrewsbury biscuit and Madeira cake because of intense rivalry and other competitors like Royal Bakery who joined the Shrewsbury biscuit industry but asserted their specialty in Butter Rich Biscuits. The Kayani Bakery, popularly known for their Shrewsbury biscuits, takes pleasure in being the initial and sole business to make it eggless. The Kayani Bakery which was initially only catered to 400 customers on weekdays and 100+ on weekends

is co-owned by Rustom Kayani. There is a long line of loyal customers waiting outside Kayani Bakery every day to purchase the mouthwatering treats that this magnificent bakery has to offer.



Source: <https://indianexpress.com/>

Revenue: Depending on the day of the week, they generate something from 2.5 lakh to 6 lakh in daily revenue.²

Family Business, Three generation legacy with Kayani Bakery, Hormuz and Khodayar Irani started Kayani Bakery in 1955. Khodayar, Hormazdiar gave the new business their family name. Sohrab and Pervez Kayani, brothers joined in 1970 to Kayani Bakery as teenagers. Third generation Rustom kayani is currently holding responsibility along with family partners. He is engineer by education. Rustom brought in the walnut cake. He was joined his family business when he was 19 years old.⁵

SIMPLICITY WITH UNIQUENESS

Over through the decades, the majority of the menu at Kayani has remained constant. The traditional shortcake cookie recipe was modified by Kayani Bakery to meet the Indian market, rendering it one of the first businesses to serve eggless Shrewsbury biscuits².

They produce more than 200 kilograms of biscuits in per day and have nearly seldom from out stocks. The biscuits are renowned to melt in your mouth and are made with sugar, flour, and butter. In additional to these, the mawa cake, baked with flour, is also well-known, as are the chocolate-walnut and plum cakes, which are especially well-liked. They have only been able to run thus far to use a wall wart. On a blackboard, the menu is written, and around Christmas, specialties are added.²

We have noticed that they consistently begin store at precisely 7:30 am. The store closes in the mid of the day for employee lunch. Again, began operating at 3:30 pm, and it concludes at 8 pm every day.

However there have been modifications to the way baked items are cooked. Unlike what many people think, not all of Kayani's goods are baked in a wood-fired oven. They stopped using the traditional method and installed gas and diesel ovens, with the wood-fired ovens now mostly being used for biscuit baking. Takeaways are the only available choice at Kayani because neither delivery nor dining-in is available.⁵



Source: Kayani Bakery

They have installed gas and diesel ovens, and the fire wood oven is only used for a few products, including biscuits, according to Rustom Kayani. They concentrate on the needs and desires of the customers. The considerations we make prior to introducing something new are "Will it work with carriers? Does it have an extended longevity?" can they discover and also include 300 new goods, too?²

CHALLENGES FACED DURING THE JOURNEY OF SUCCESS

Kayani Bakery ran into numerous challenges along the way. Consistently maintaining the quality of the baked items was one of the biggest challenges. Due to the bakery's success, there was a great deal of interest and it was difficult to satisfy it without reducing the quality.

- The bakery depended on trained bakers and conventional baking techniques to guarantee the quality of the goods.
- The bakeries also had to deal with its geographical location. Customers found it difficult to park their cars and get to the bakery because it was located in a busy part of the city.

Customers had to wait for their time to be serviced because the bakery had very little space for seating.

- In 2017, Kayani bakery had received a verbal notice from Pune Cantonment Board to shut down their shop as they do not have any valid shop license since 2006. Pervez H Kayani a partner in the bakery, said that the firm the firm was doing business for the last 61 years. In 2018, the district court dismissed an appeal filed by Pune Cantonment Board in Kayani bakery.

IMPACT OF COVID-19 : Kayani Bakery, along with numerous other businesses worldwide, was greatly affected by the COVID-19 pandemic. Owing to the lockdown that the government implemented in March 2020 to stop the virus's spread, the bakery was forced to cease operations. During this time, the bakery was unable to make any money, thus it was forced to cover fixed expenses including rent, staff pay, and utilities. As the pandemic progressed, the bakery experienced significant challenges like a shortage of unprocessed materials and problems acquiring supplies. Due to a staff shortage and the difficulty of maintaining social separation at work, the bakery was forced to reduce its production capability.³

The shop opened again. Customers from all around the city gathered to the bakery to purchase their favourite pastries, breads, and sweets. "They didn't promote the bakery's reopening in any way. Nonetheless, they are aware that "Word of Mouth" and "Social Media" were used by their dedicated clientele along with other supporters to inform everybody.

Even though we had a lower-than-normal production, we were ecstatic to see lines of people rushing into the bakery. Now that manufacturing has returned to normal. They express gratitude to all of their well-wishers for their assistance through our trying times, according to Rustom Kayani.⁴

MARKETING STRATEGY

Unique Product line: Kayani Bakery created a distinct product to set apart from the competition. The eggless Shrewsbury biscuits that Kayani Bakery sells draw customers who identify as vegetarians. The Kayani Bakery sells a variety of baked goods, including Brazil nuts, cheese papadi, milk bread, mawa cake, ginger biscuits, and khari biscuit sponge cake (which stays fresh for up to a week). All of the products are packaged exquisitely in accordance with the quantity of the purchase; the packaging, which customers can discard after usage, is made of biodegradable materials. As a result, they also uphold their social responsibilities.



Source: Kayani Bakery

Premium price Strategy :. The premium social strata are the target audience for Kayani Bakery's premium price strategy.



Source: Kayani Bakery

Historical Location (Place): The heart of Pune's shopping Camp area. There once stood an aristocratic bakery and restaurant by the name of E Muratore where Kwaliti, The Telephone Office, and Kayani are located today.⁹



Source: <https://parsikhabar.net/>

Prohibition was implemented by Bombay State's then-chief minister, Morarji Desai, in 1953. Because of the reality that alcohol has a bigger profit margin than food, Muratore is no longer a successful business. In 1954, Sathé closed it down. The Muratore-occupied building was the site of Kayani Bakery's inaugural year of business. On the same property as the telephone office was the Kwality restaurant. Muratore owned the ovens and baking materials in Kayani.⁹

Promotion: The main goals of promotion are to raise awareness and encourage consumers to make a purchase. Word of-Mouth is one of the promotional events, which is then followed by kayani bakery. A successful bakery involves a lot of work. You need the requisite abilities, drive, and self-control to run a small business. Yet a crucial element is frequently dismissed bakery's marketing plan. The Kayani Bakery is extremely reliable and punctual.

COLLABORATION WITH PURANDAR HIGHLANDS FARMERS PRODUCERS COMPANY (PHFPC)

A "guava cake" has been developed by farmers in Pune district's Purandar taluka as the fruit cake movement gains traction in Maharashtra. Farmers in Maharashtra's Purandar tehsil have historically grown the fruit variety known as "Ratnadeep Guava." In hopes of producing the "guava cake," which provides the unique fragrance of the local kind of fruits, farmers in the Purandar tehsil of Pune district have partnered with the legendary Kayani Bakery. With the help of the Kayani Bakery, which is offering this unique cake, the farmers of Purandar, who are known for farming the red guava fruit, now have a great opportunity to market their product⁶



Source: <https://newsable.asianetnews.com/>

Few Competitors:

1. **Husseny Bakery:** One amongst Pune's oldest surviving operating bakeries. By the late Mr. Mirdehghan, Husseny Bakery was founded in 1932. A bakery was established at Bhawani Peth by S. Murteza. The Poona cantonment received only freshly baked items from the bakery; this custom continued even after Independence. Husseny Bakery has been run as a family business for more than seven decades by Dr. S. M. M. Irani, whose son Dr. S. M. M. Irani joined the company in 1972.¹¹
2. **Persian Bakery:** Persian Bakery is amongst one of the best bakeries in Pune. They have been in the business since 1921.¹⁰
3. **Ramsar Bakery:** Ramsar Bakery was founded in 1935 and is strategically situated on the busy Shivaji Nagar area.¹⁰
4. **Royal Bakery:** Royal Bakery, which was founded between 1906 and 1920, is legendary in and of itself. Younger members of the original founding family are still in charge of their bakery, which hasn't altered much since they first opened.¹⁰
5. **Imperial Bakery:** One of the oldest and most renowned bakeries in Pune was founded in 1950
6. **Marz O Rin:** Originally Mr. Sheriar J. Sheriyarji launched Marz-o-rin in 1965, there were merely four products on the menu; today, there are more than 150..¹²

CONCLUSION

Kayani Bakery had a rich legacy of more than six decades and was a significant part of Pune's culinary culture. The bakery faced several challenges throughout its journey but had several

opportunities to grow and expand its business. Unfortunately, the COVID-19 pandemic proved to be the final blow to the bakery's operations, and it had to shut down. The closure of Kayani Bakery is a reminder of the devastating impact of the pandemic on small businesses worldwide. Notwithstanding the difficulties, Kayani Bakery had numerous chances to develop and broaden its company. Using technology to streamline operations and expand its customer base was one of the key potential. The bakery might have established an online store and provided clients with online ordering and delivery options. This would have given the bakery access to clients who couldn't physically visit the establishment. Another opportunity was to broaden the product line and provide clients additional options. More baked items like croissants, bagels, and muffins may have been added to the bakery's menu. The bakery may have looked into catering options and provided special occasion cakes for events like weddings.

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