

# HOW GLOBAL SITUATION CAN IMPACT ON LOCAL BUSINESS

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## INTRODUCTION

The Israeli-Palestinian conflict has claimed tens of thousands of lives and displaced many millions of people and has its roots in a colonial act carried out more than a century ago.

With Israel declaring war on the Gaza Strip after an unprecedented attack by the armed Palestinian group Hamas on 8 October, the world's eyes are again sharply focused on what might come next. By the second week of November, Gaza's health system was reported to have collapsed, with hospitals running low on rationed fuel reserves and medical supplies. Israel has imposed a complete siege of the territory, cutting off electricity and water, and supplies of food and medicine are dwindling fast. Without fuel, meanwhile, Gaza's only power station has gone dark.

Despite numerous mediation efforts, the conflict persists, with both parties levying accusations of aggression and human rights violations against each other. The situation in Gaza is critical, as residents grapple with scarcities of essential resources such as food, water, and medical supplies, a result of the blockade imposed by Israel. Given the prolonged conflict, it is imperative to acknowledge its profound impact on the daily lives of ordinary people in Gaza and Israel. It is essential for the global community to collaborate towards a peaceful resolution that not only addresses the immediate issues but also tackles the underlying causes of the conflict, ensuring the protection of human rights for all those affected.

The violent escalation in the decades-long conflict has drawn increased attention on a long-standing movement known as Boycott, Divest and Sanctions (BDS) that seeks to put financial pressure on the state of Israel to follow international law and end what are seen as human rights abuses against Palestinians.

## BACKGROUND

Chaudhary Muhammad Nawaz, the visionary founder of Gourmet Pakistan, instilled values that transcended any challenge. Serving as a guiding light, his sons now steward the Gourmet Industries, unwavering in their commitment to preserving his enduring vision. Gourmet has experienced consistent growth, marking remarkable success in the ever-evolving landscape of the food industry. Presently, Gourmet Pakistan stands as a purveyor of an extensive range of high-quality food products and services, offering a distinctive and affordable experience that encapsulates the essence of joy and communal celebration.

The journey of Gourmet has been a transformative one, evolving from a humble confectionary shop to become the largest retail network in Pakistan. Among its notable ventures are Gourmet Foods, GNN, Gioch, Gourmet (Rasool Nawaz Sugar Mills), Bon Vivant, and Bon Vivant Palais, collectively forming the confectionary arm of the Gourmet group. What once started as a modest shop has burgeoned into a phenomenon, an orange-hued entity that spans across various cities, firmly establishing itself as a household name found in every corner store.

Focusing specifically on Gourmet Foods, it stands as Pakistan's premier retail chain of food products, headquartered in Lahore. The company boasts seven processing units strategically

positioned across the country, complemented by a network of 100 stores within Lahore alone. Gourmet Foods is dedicated to providing high-quality food products across diverse cities, offering an extensive range that includes bakery products, milk, ice cream, sweets, biscuits, beverages, water, Bon Vivant, Juices, and fast-food items. Gourmet Foods has not only become a symbol of culinary excellence but also a testament to entrepreneurial success, embodying the transformation of a small confectionary shop into a nationwide culinary phenomenon over the course of two and a half decades. The brand has not only expanded its reach but has become an integral part of daily life, a go-to destination for quality food products and a harbinger of togetherness and celebration in homes across Pakistan.

Gourmet Foods, the flagship brand under the stewardship of the Gourmet group, stands with Palestine as a beacon of culinary excellence in Pakistan. Nestled in Lahore, it has become a pioneering force in the food industry, offering a diverse range of high-quality products that cater to the discerning tastes and preferences of consumers.

### **Bakery Products**

One of the hallmarks of Gourmet Foods is its exceptional bakery line, featuring an enticing array of bread, pastries, cakes, and cookies. This section is a testament to the brand's commitment to artistry and craftsmanship, setting the standard for both quality and taste.

### **Dairy Delights**

In the dairy section, Gourmet Foods showcases a rich variety of products, including fresh milk and dairy treats. Each item is crafted with precision, ensuring that consumers receive wholesome and nutritious dairy options.

### **Frozen Delicacies**

Diving into the realm of frozen delights, Gourmet Foods excels with a diverse range of ice creams and frozen desserts. These offerings provide a delightful escape into the world of sweet indulgence, blending flavors and textures to suit every palate.

### **Sweets and Confectionery**

As a confectionary powerhouse, Gourmet Foods has mastered the art of creating irresistible sweets. From traditional favorites to innovative confections, each sweet reflects the brand's dedication to preserving the rich culinary heritage of Pakistan.

### **Biscuits and Snacks**

Diversifying its product line, Gourmet Foods offers a tempting array of biscuits and snacks. Whether it's crunchy biscuits for tea time or savory snacks for on-the-go munching, the brand caters to the snack cravings of its diverse consumer base.

### **Beverages**

The beverage selection at Gourmet Foods is equally extensive, featuring a diverse range from refreshing juices to innovative drink options. Every sip is a moment of pleasure, marked by the brand's commitment to quality and flavor.

### **Water**

Recognizing the importance of pure and safe drinking water, Gourmet Foods provides a range of bottled water products. The brand maintains the highest standards of purity, ensuring that its water offerings meet the expectations of health-conscious consumers.

### **Fast Food**

Venturing into the realm of fast food, Gourmet Foods offers quick and savory meal options. From ready-to-eat meals to convenient snacks, the fast-food range caters to the dynamic lifestyles of modern consumers.

### **Success pillars of Gourmet**

Gourmet's exceptional success is rooted in three detailed pillars that have not only sustained but elevated the brand within the competitive food industry. Firstly, visionary leadership, as exemplified by the founder Chaudhary Muhammad Nawaz, has been a guiding force. His strategic foresight and dedication to excellence have set the trajectory for Gourmet's sustained growth and influence. This pillar encapsulates a commitment to long-term goals, ensuring that the brand's core values remain intact over time.

Secondly, a relentless commitment to quality stands as a foundational element of Gourmet's triumph. This pillar extends across every facet of the brand's operations, from the sourcing of premium ingredients to the meticulous execution of production processes. Gourmet Foods has established itself as a benchmark for uncompromising quality, fostering trust among consumers and reinforcing the brand's reputation for delivering superior, flavorful products.

The third pillar, strategic expansion and diversification, elucidates Gourmet's agility in navigating the dynamic market landscape. Geographically, the establishment of processing units across the country and the creation of an extensive retail network reflect a calculated approach to reach a broader audience. Simultaneously, Gourmet's commitment to diversifying its product portfolio, embracing culinary innovation, and staying attuned to consumer trends underscores its adaptability and responsiveness to an ever-evolving market. These three pillars collectively form the robust framework that underpins Gourmet's success story. Visionary leadership provides direction, a commitment to quality ensures customer satisfaction, and strategic expansion enables the brand to continually redefine and expand its presence in the culinary landscape. Together, these detailed pillars have positioned Gourmet as not just a food provider but as a standard-bearer of excellence and innovation in Pakistan's food industry.

### **Key issues in supply chain**

Gourmet Foods, as a prominent player in the food industry, faces its own set of challenges within the supply chain domain. One of the key issues is demand forecasting accuracy. Given the diverse range of products offered by Gourmet, accurate predictions of customer demand for various items, from bakery products to dairy and frozen delicacies, are critical. Inaccuracies in forecasting can lead to suboptimal inventory levels and potentially impact customer satisfaction. To address this, Gourmet may need to invest in advanced forecasting technologies tailored to the nuances of its product portfolio.

Supply chain visibility is another pertinent challenge for Gourmet Foods. Ensuring visibility from the sourcing of raw ingredients to the final delivery of products across its extensive retail network is essential. Improved transparency can help mitigate delays, enhance efficiency, and minimize costs. The implementation of robust supply chain visibility tools could play a pivotal role in overcoming this challenge.

Vendor management and relationships are crucial for Gourmet Foods, given the diverse array of products it offers. Managing relationships with suppliers for bakery ingredients, dairy sources, and other components is essential to maintain quality standards and ensure a smooth supply chain. Proactive measures such as supplier collaboration and contingency planning may be required to address issues related to supplier reliability and quality control.

Effective inventory management is a perennial challenge for Gourmet Foods. The company's commitment to delivering fresh and high-quality products necessitates a delicate balance between meeting customer demand and minimizing holding costs. Leveraging advanced inventory management systems and demand planning tools can aid in optimizing inventory levels and avoiding overstock or stockouts. Global supply chain complexities may also impact Gourmet Foods, especially if it sources ingredients or operates in international markets. Navigating geopolitical uncertainties, trade regulations, and transportation challenges requires strategic planning and proactive risk management to ensure a resilient and adaptable supply chain.

### **Strategies that Gourmet have to adopt**

To strategically reopen the production plant and capitalize on the opportunity, CEO Zubair Chattha & Co. Director of Sales Mian Furqan and NSM Faisal Baig made several pivotal decisions:

#### **G Dukan App**

Gourmet launch their new app to engage more customers. The application has the following functionalities to facilitate Retailer

- a) Creation new shop
- b) Ordering
- c) Order Tracking
- d) Previous Order Detail

#### **New Labor**

Recognizing the increased demand associated with reopening the production plant, Mian Furqan took the proactive step of expanding the workforce. By hiring new skilled labor, the company ensured it had the necessary personnel to operate the plant efficiently.

#### **Raw Material**

Mian Furqan conducted a thorough assessment of the availability and quality of raw materials essential for production. Strategic decisions were made to establish a reliable supply chain for these materials, mitigating the risk of interruptions and minimizing potential bottlenecks in the production process.

#### **Operational Level**

Focusing on optimizing the operational efficiency of the production plant, Mian Furqan implemented measures to streamline processes, establish efficient workflows, and incorporate best practices. Potential investments in technology or equipment upgrades were considered to enhance overall operational efficiency.

#### **Outcome**

Mian Furqan's strategic decisions bore fruit, resulting in positive outcomes for the company. The reopened production plant enabled the company to meet increased customer demand, potentially expanding its market share. The combination of augmented production

capacity and optimized operations likely contributed to improved profitability and enhanced competitiveness in the market.

Mian Furqan's strategic decisions regarding new labor, raw materials, operational efficiency, and the subsequent positive outcomes played a pivotal role in the successful reopening of the production plant and seizing the presented opportunity.

### **Sales increase**

With new plan and strategies, we compare last year's sales with this year's sales, 2 million PKR increased in sales. we have analyzed. For example, if we find that total sales revenue increased this year compared to last year, we can conclude that the business is performing well and may be growing. Alternatively, if we find that sales in a particular product category or region decreased, we can investigate further to determine the cause and take corrective action if necessary.

### **Change Management**

Effectively manage change within the organization, especially during the implementation of new technologies or process improvements. This involves clear communication, training, and support to mitigate any resistance to change.

A comprehensive approach to the supply chain involves precise demand forecasting, collaborative sourcing, efficient delivery mechanisms, continuous process optimization, and a skilled and collaborative workforce. Gourmet Foods can strengthen its position in the food industry by strategically addressing each component of its supply chain with a focus on innovation, collaboration, and adaptability.

Gourmet Foods utilizes a comprehensive set of Key Performance Indicators (KPIs) to gauge the effectiveness and success of various facets of its operations within the dynamic food industry. These KPIs serve as vital benchmarks for evaluating financial performance, customer satisfaction, supply chain efficiency, and overall business sustainability. The company closely monitors its sales revenue and profit margins to ensure financial health and effective cost management. Customer satisfaction, assessed through feedback and reviews, remains pivotal for building brand loyalty and long-term success. Gourmet Foods also focuses on supply chain metrics, including inventory turnover, on-time delivery, and supplier performance, to ensure seamless operations and customer-centric services. KPIs such as waste reduction, employee productivity, and compliance with quality standards underscore the company's commitment to sustainability, workforce efficiency, and regulatory adherence. Gourmet Foods recognizes the significance of innovation and market presence, reflected in KPIs measuring product innovation rates and market share (Annexure 1, Figure 1). The company monitors employee satisfaction and retention, acknowledging the crucial role of a content and stable workforce in achieving operational excellence. The integration of social and environmental responsibility metrics further aligns Gourmet Foods with contemporary values, emphasizing its commitment to sustainable and responsible business practices. These KPIs collectively provide a comprehensive framework for Gourmet Foods to assess and enhance its performance across diverse dimensions, fostering continuous improvement and strategic decision-making (Annexure 2, Figure 2).

### **What I did?**

I have actively contributed to the enhancement of our products and the overall success of our sales initiatives. By leveraging a strategic approach, I have played a key role in refining our product offerings to align with market trends and customer preferences. Through meticulous market research and analysis, I have identified opportunities for product innovation, leading to the

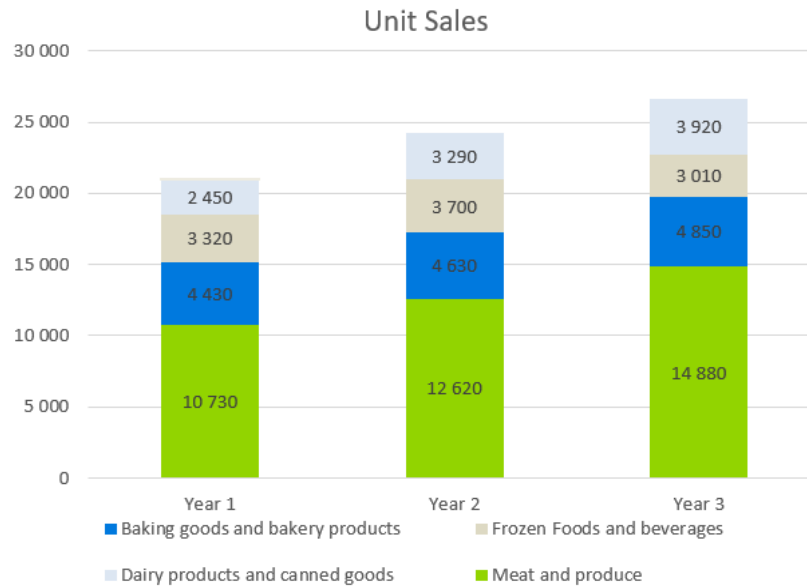
introduction of new and exciting options that resonate with our diverse consumer base. In terms of sales, my efforts have been instrumental in implementing targeted marketing strategies, optimizing pricing models, and enhancing customer engagement. Through the implementation of data-driven insights, I have helped streamline our sales processes, resulting in increased efficiency and improved conversion rates. Collaboration with cross-functional teams has been a hallmark of my approach, fostering synergy between product development, marketing, and sales teams to ensure a cohesive and impactful strategy. I have actively sought and integrated customer feedback into our product development cycle, ensuring that our offerings not only meet but exceed customer expectations (Annexure 3, Figure 3). Gourmet Foods, focus on quality, innovation, customer satisfaction, and branding, has taken a proactive stance to address concerns related to Israeli products and water in Pakistan. The company has introduced a new line of beverages to provide a local alternative to meet the values and preferences of Pakistani consumers (Annexure 4, Figure 4). Recognizing the apprehensions of Pakistani consumers regarding the utilization of Israeli products and water in the food industry, Gourmet Foods has taken a strategic step by launching its own range of beverages. This includes bottled water, juices, and soft drinks, offering consumers a viable local option that aligns with their values. This decision underscores Gourmet's commitment to innovation and responsiveness to the evolving needs and preferences of its customer base. Beyond simply addressing an industry concern, the introduction of this new beverage line allows Gourmet Foods to diversify its product offerings and broaden its revenue streams, showcasing its dedication to both consumer satisfaction and market adaptability.

### **Synopsis**

Gourmet Foods has taken a significant step by launching its own line of beverages, encompassing bottled water, juices, and soft drinks, to offer Pakistani consumers a compelling local alternative to Israeli products and water. The Gourmet bottle, specifically the high-quality, locally sourced bottled water, adheres to the most stringent standards of quality and taste. Sourced from local springs, the water undergoes rigorous quality control measures to guarantee its purity and safety. This strategic initiative underscores Gourmet Foods' commitment to innovation, customer satisfaction, and social responsibility. It directly addresses concerns among Pakistani consumers regarding the use of Israeli products and water in the food industry, particularly in the context of global boycotts resulting from the conflict between Gaza and Israel. Recognizing the preferences of consumers who prioritize locally sourced goods over those associated with Israel, the Gourmet bottle provides a timely and aligned alternative. Beyond meeting consumer values, this move showcases Gourmet's dedication to supporting local businesses and fostering ethical practices in the food industry. The introduction of the Gourmet bottle is not only a response to an industry concern but also a demonstration of Gourmet Foods' multifaceted commitment. By aligning with consumer values, promoting local businesses, and emphasizing ethical sourcing, Gourmet Foods positions itself as a socially conscious and responsible company. This strategic move is poised not only to address current market dynamics but also to enhance Gourmet's brand image and reputation in the long term.

## ANNEXURE 1

### Products and sales



**Figure 1**  
**PRODUCTS AND SALES**

## ANNEXURE 2



**Figure 2**  
**GOURMET BEVERAGES**

### ANNEXURE 3



**Figure 3**  
**GOURMET LOGO**

### ANNEXURE 4



**Figure 4**  
**GOURMET BAKERY FLYER**

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