

Marico plans ₹10,000-crore turnover in four years

VIVEK SUSAN PINTO
Mumbai, 8 May

Last week, consumer goods major Marico organised its annual townhall called Organisation Communication at its Mumbai-based headquarters. The day-long event was marked by seminars and sessions by experts and management, giving employees a chance to not only mingle with them, but also learn.

There was one thing, however, that characterised the entire show — there was no use of paper. Instead, the entire schedule, from speakers' profiles to questions that the audience could pose to panelists, was part of an app that employees could download and use.

The events app that Marico has designed for its employees is only one of many initiatives it is taking as it eyes the next level of growth. Other efforts include a focus on innovation, go-to-market strategies, talent and culture, information technology (IT) and analytics, and cost-value management.

The plan is to emerge as an Indian multinational with a young workforce

MAKING A MARK

Consolidated March-ended financials of Marico over past few years (₹ cr)

	Net sales	Profit before tax	Consolidated profit*
2011	3,025.95	376.43	286.44
2012	3,996.81	400.31	317.11
2013	4,584.34	551.88	395.85
2014	4,676.19	694.58	485.38
2015	5,720.28	821.65	573.45
2016	6,122.30	1,033.7	724.70

Note: Consolidated profit after minority interest & share of P&L of associates
Source: Company results

and a turnover of ₹10,000 crore in the next four years. Marico's consolidated financial year 2015-16 (FY16) revenues were ₹6,122.3 crore. It crossed ₹5,000 crore in consolidated revenues in FY15.

"One thing we realised in our journey, especially when going from ₹2,000 crore, which we crossed in FY09 (2008-09) to ₹5,000 crore in FY15, is that when you

drive scale, the complexity of the business also increases exponentially. It, therefore, makes sense to drive capability ahead of growth. What we are doing now is making the organisation future-ready, while retaining the founder's mentality of being entrepreneurial and agile," says Saugata Gupta, managing director & chief executive officer, Marico.

By 2020, Marico plans to develop what it calls "top quartile" capability, processes and execution excellence in the five verticals it has identified. For this, Gupta says it has internally identified companies in the five areas it has benchmarked itself against to become what he calls an "emerging market MNC".

While he declines to identify these companies, the effort to get future-ready will see Marico focus on fewer but bigger innovations, moving to the next level of automation of its distribution and point of sales management, getting younger people on board (42 per cent of Marico's 2,008-strong workforce is 31 years and below), investing in IT & analytics and driving cost-value management across its portfolio.

incremental ₹60 crore turnover in 2015-16, which has encouraged it to expand coverage of the programme to another 14 towns.

Additionally, the firm has invested in a new order management system and is changing its point of sales and distributor management systems.

To be relevant to internet-savvy consumers, Marico will also launch various digital and e-commerce initiatives in the coming quarters, led by a "Yound Board" made up of seven young employees, who are top-performers in the organisation. The board, which operates as a shadow board, is intended to guide the management on staying relevant to youth. Introduced in 2015-16, the board has new members every year.

Marico plans...

The new philosophy, for instance, has seen Marico recently launch a value-added mustard hair oil called Nihar Naturals Sarson Kesh Tel in the north and parts of the east after prototyping it in Rajasthan. This innovation has seen Marico launch a non-sticking mustard hair oil, which it expects to scale up in the future.

Within go-to-market strategies, Marico has pushed direct coverage under what it calls Project ONE (Outlet Network Expansion) in the top six metros. This initiative has helped the firm derive an

Turn to Page 6 ▶