

Kishore biyani essay sample

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Reading success stories of greatest professionals stimulates motivational enzyme within us and we all wish to emulate them on path of success. Exactly with this aim MBARendezvous. com – India's content lead MBA website is presenting you series of success stories of Professionals who have carved niche in their own way and have become icons of Management Fraternity. Following above you will read today success story of Mr. Kishore Biyani : A true Indian retail czar, Kishore Biyani is the Group CEO of Future Group and Managing Director of Pantaloon Retail. Popularly known as KB, he is the man who triggered the concept of retail supermarkets in India like Big Bazaar, Pantaloon, Mega Mart and Bangalore Central. With his sheer ' guts and instincts' he created Future Group, a USD 1 billion enterprise and spearheaded the emergence of Pantaloon Retail as the leading retailer in the country. Born on August 9, 1961 into a small trading family, Biyani started his first business enterprise selling stonewash fabric to small shops in Mumbai. Famous for his unconventional style of running the business he was initially written off by the media.

His stores were referred as ' dirty' and he was never called for any trade body meetings or investors conference. Biyani defied the status quo and challenged the conventional mindset by significantly thinking big. A staunch believer in the group's corporate credo, ' Rewrite Rules, Retain Values,' Biyani considers indianness as the core value driving the group. Led by its flagship enterprise Pantaloon Retail, today operates around 16 million square feet of retail space in over 85 cities and towns and 65 rural locations across India. Headquartered in Mumbai it employs around 35, 000 people and is listed on the Indian stock exchanges. Future Group's retail arm follows a

multi-format retail strategy and some of its leading formats include Big Bazaar, Central Food Bazaar, Pantaloons, Ezone, Home Town and Planet Sports. It also operates popular shopping portal, futurebazaar. com and rural retail chain, Aadhar. Future Group's other businesses include financial services, insurance, brand development and logistics.

While retail continues to form the core business of Future Group its appetite for food is steadily increasing with newer retail formats and is scaling up operations with Foodhall, its latest venture into the food retail space, which would offer a different format to cater to the growing aspirations of the consumers. Its tag line ' for the love of food' has strike a chord with the consumers to take the food retail business to next level. Presently, the company's existing food retail chains comprise the no-frills, small format KB's fair price stores, Food Bazaar and Food Rite. Foodhall will be the fourth organized food retailing chain in the group's portfolio. Targeting affluent consumers its aim is to tap the urban Indian consumer who wants to experiment with both imported food items like wines and chocolates and grocery regulars like exotic spices and organic lentils. It is for the discerning customer and will be opened in 15 different locations with the largest one coming up on MG road in Bangalore. Another venture, Future Fresh is into the supply of fruits and vegetables and is sourcing from across the world, from New Zealand to Canada. It is also setting up supply chains of food and vegetables.

The idea is to give consistency and quality in fruits and vegetables in the long run coupled with world class technology and processes. The 49-year-old

maverick received the Ernst & Young Entrepreneur of the Year Awards. In year 2006 he was awarded 'The First Generation Entrepreneur of the Year' by CNBC Indian Business Leaders. The same year he was awarded the 'Young Business Leader' conferred by the IIM Lucknow National Leadership. He recently authored the book, 'It Happened In India.' which traces his struggle, failures, restlessness, and sheer grit. The book has sold some 100,000 copies, more than any other business book published in India so far. Often been called 'the Sam Walton of India,' Biyani's success is a classic example of how deep insights can create an impregnable differentiator among your competition which are purely led by observations and theoretical market research reports.

Though most of KB's deep understanding is attributed to his 'marwari trading family upbringings and his interest in observing people and understanding their behaviour he jokes as a child he has always been a big source of irritation for his family as he used to question every damn thing in the world. The elite food futurist, who discards the conventional mode of thinking, is now sharpening his focus in the food space at a time when retail chains run by the Tatas and Birlas have already forayed into this arena with a similar set-up. Though he would never consider collaborating with Wal-Mart he asserts, "We are investing a lot in food through future ventures in food processing centres, FMCG products and so on. In the next three to four years we want to be the largest food and FMCG Company in the country. What makes our innovations different is that we try to sell by people and not to people." Read success stories at www.mbarendezvous.com

Mr Biyani, 48, who grew up in Mumbai's Malabar Hill area, was not born into old money. But his middle-class family was anchored by a line of businessmen, starting with his grandfather, who moved to Mumbai from Nimbi, a village in Rajasthan, to open a wholesale shop selling dhotis and saris. When Mr Biyani visited Mumbai's Century Bazaar as a teenager, he saw retailing being conducted on an immense scale. He decided then that he would create something similar – but better, he says. He studied commerce at HR College in Mumbai, but concedes that he was a poor student. “ I had no ambitions of studying much,” he says, laughing. “ I think, luckily, I didn't study much. Fortunately, I didn't go to any business school or anything.” Business school might be good for managers, he says, but not for entrepreneurs such as he. His approach, in college and now, is to rely on observation and gut instinct. “ I spent the better part of the day outside college with friends, wandering around new places and understanding and interpreting the real world.” Towards the end of his college days, Mr Biyani began working with his father, brothers and two older cousins in the family business, Bansi Silk Mills, which traded fabrics.

But Mr Biyani felt stifled by the company's conservative business culture. “ Kishore would come to the office, and within two or three hours he would leave,” said his father, Laxminarayan Biyani, in his son's autobiography, *It Happened in India*. “ He neither liked our attitude nor our approach towards the business. While he wouldn't confront us directly, it showed on his face.” In the meantime, his parents introduced him to Sangita Rathi, and in November 1983, after a six-month courtship, they married. Mr Biyani's first venture on his own came about by a fluke. It was the early 1980s, and he

noticed that his friends were wearing trousers made of “stonewashed” fabric, a popular material at the time. In the next six months, he found a local mill that made the fabric and sold a few hundred thousand rupees worth of the material to a few garment manufacturers and shops in the city – giving him his first profit and his first taste of entrepreneurial success. He then launched his own brand of fabric for men’s trousers.

He called it WBB – white, brown and blue. When demand for the fabric was at its peak, Mr Biyani sold 30, 000 to 40, 000 metres of the material each month, later making trousers himself and selling them to retailers. In 1987, Mr Biyani started a new company, a garment manufacturer called Manz Wear Private Ltd. The garments were sold under the brand Pantaloon, which Mr Biyani chose because it had the trendy feel of an Italian fashion house but was close to the Urdu word for trousers, patloon, he says. Manz Wear supplied a few apparel outlets, but Mr Biyani wanted to expand its scope. So, he established a network of franchise stores that sold only Pantaloon trousers. Pantaloon Shoppe opened in Goa in 1991, later expanding its men’s apparel line. Mr Biyani turned to the stock market in 1992 to fuel his continued expansion, announcing an initial public offering of 60 per cent of its holding at the Mumbai, Delhi and Ahmedabad exchanges to raise 225, 000 rupees. As well as funding fit-outs to stores, he also spent on lavish marketing, and by 1994, the Pantaloon franchise chain had a turnover of 9 million rupees. But profits didn’t keep up.

“ We had made the mistake of spreading ourselves too thin,” he wrote in his autobiography. “ We were present across the length and breadth of the

country, and that posed a logistical nightmare.” The executive staff could not visit each store to monitor the quality of service, which deteriorated in some of the older shops. Some of the franchisees, who worked on a commission basis, were more concerned about immediate profits rather than serving the customer well. In 1996, Mr Biyani began exploring the concept of converting Pantaloon into large-format retail stores of his own. He stumbled upon a 10, 000-square-foot property at Gariahat, in Kolkata. It was a revolutionary idea, because at the time, the biggest stores in the city were no more than 4, 000 sq ft. Mr Biyani convinced the reluctant property owners to rent him the space, and in August 1997, the first Pantaloons department store was unveiled to the public. Mr Biyani wasn’t satisfied. The next year, he began working on Big Bazaar, a hypermarket with a dose of chaos – stores that were crowded, noisy and a bit messy – on purpose, he says.

“ I think the familiarity of an Indian bazaar is something we wanted to create in a modern environment,” he says. The first Big Bazaar opened in Kolkata in 2001. Within 22 days, he opened two more. Now there are 100 throughout India serving about 2 million customers a week. Part of Mr Biyani’s success, he wrote in his book, is attributable to luck – being in the right business at the right time, in the right country. His business grew with the rise of the Indian middle class, which now had money to spend and embraced consumerism heartily. That was when his peers started to respect him, he says. “ People started noticing the work which we were doing.” It is hard to ignore Mr Biyani’s company now.

Pantaloon Retail stores occupy more than 12 million sq ft of retail space in 71 cities across India and employ 30, 000 people. Mr Biyani has also expanded into other fields, including media and insurance, all of which fall under the umbrella of the Future Group. And there may be bigger things in the works. Last month, Mr Biyani met with Lars Olofsson, the chief executive of Carrefour, the world's second-largest retailer after Walmart. The pair visited a couple of Big Bazaar outlets in Delhi, according to reports, but Mr Biyani would not comment on the meeting. Mr Biyani's office is, appropriately, located in Mumbai's first mall. Inside, the decor is minimal. Eight framed pictures on the wall provide him with inspiration. They include Mother Teresa (" Give until it hurts") and Sam Walton, the founder of Wal-Mart (" Walmart became Walmart because ordinary people got together to do extraordinary things").

Mr Biyani, too, is not given to frills. He dresses simply; on this day he wears a simple blue-grey shirt. And he is a man of few words, although he is direct and at times blunt. Raj Kaith, the head of the E-zone unit in Sobo Central mall, now owned by Future Group, says Mr Biyani's appearance can be deceiving. " He dresses so simply," says Mr Kaith. " If he was standing around, you wouldn't think that he is the chairman of Future Group. I think that's what's so great about him. He is just a simple guy who knows his business inside out." Mr Kaith says he often sees Mr Biyani standing in the mall atrium watching his customers. " I see him observing people and their attitude," he says. " He has a sixth sense of what customers want." Mr Biyani says he does everything he can to gauge the pulse of the Indian consumer.

Lately, he has been watching Big Boss, the Indian version of the television series Big Brother.

“ We have to engage in anything that is popular,” he says. “ If someone tells me that television serial is doing well, we have to watch it. We have to observe the trend, because everything can impact the business for us.” The economic downturn meant Pantaloon had to postpone the opening of as many as 30 stores. The company also reduced the size of some of its other locations. “ We will do better this year because of what we have learned,” Mr Biyani says. “ How to be more efficient. How to be more productive.” One area in which Mr Biyani has not found success is Bollywood. In 2002, he helped to underwrite the film Na Tum Jaano Na Hum, in which, naturally, the parents of the heroine used to own a chain of retail stores. “ It’s another communication medium to the consumers,” he says. “ The idea was to glorify modern retail in some form, through cinema.” Critics panned the film, and it bombed at the box office. Mr Biyani’s second Bollywood effort was the 2003 film Chura Liya Hai Tumne, which had a less dominant retail theme. He learned that you should “ never get attached to something you have made”, he says. “ Whatever you create, the audience will decide whether you are right or wrong.”

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1. NPV gives important to the time value of money.
2. In the calculation of NPV, both after cash flow and before cash flow over the life span of the project are considered.
3. Profitability and risk of the projects are given high priority.
4. NPV helps in maximizing the firm's value.

Disadvantages Of Net Present Value (NPV)

1. NPV is difficult to use.
 2. NPV can not give accurate decision if the amount of investment of mutually exclusive projects are not equal.
 3. It is difficult to calculate the appropriate discount rate.
 4. NPV may not give correct decision when the projects are of unequal life.
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