

# aHEAD in reTAIL

 A S Gopal

He is a pioneer in his field. He has built a chain of stores based on ethics and values that has attracted global giants to share their vision with him. Meet B.A.Kodandaraman, the ethical CMD of Viveks Ltd.



B A Kodandaraman

India is known as the nation of shopkeepers. There are more shops in India than any other country in the world. It is estimated that there are more than twelve million retailers in this country, serving the needs of the consumer, right from the smallest one to the largest chain. Where have we come as a nation? From a time when you had to wait for years to take delivery of a two wheeler to today having the option of driving away from the showroom; from a time where one had to wait for years to get a telephone connection to today almost every member of the family owning a mobile phone; from a time when the bankers felt that funding the retail sector was not a priority to today the age of retail banking; from a time owning an

electronic gadget was considered a luxury to today it being a necessity in every home; from a time when people used to go to neighbouring countries to buy some of the gadgets to today it being available at the neighbouring shop. Yes, as a nation we have come a long way.

This person has not been just a passive witness to all this transformation, but has played a major role in the southern part of this country in ensuring that all these developments are taking place. He has been in the business of retailing consumer goods for the past four decades and has built a brand synonymous for any consumer electronic goods in this part of the country. He has built the largest chain of stores in south India with 54 stores that carries the tag

line 'the unlimited shop'. Meet **B.A.Kodandaraman**, Chairman and Managing Director, Viveks Limited.

Since 1977, Viveks celebrates every New Year by having a 'cost price' Sale. It is a common sight every year on January 1st to witness serpentine queues in each of their showrooms, even before the gates are opened. They were the pioneers to come up with this concept of New Year Sale and in subsequent years many followed it in various segments. Talking about it Kodandaraman said, "The customers have been contributing to our revenues all through the year, and as a token of our gratitude to give something back to them we offer this sale at cost price. It is very sentimental to our people to

buy a new product at the beginning of the year and hence we brought in this concept. I believe, if you do something in the interest of the customer, they always respond. Instead, if you do something with only your interests in mind, but make it appear otherwise, the customer never responds. They have their own ways to understand the real intentions. The New Year sale is certainly a tradition started by us, but emulated by many.”

Kodandaraman believes his biggest move in the development of Viveks is in making it a public limited company. He said, “It was a partnership firm, a family concern, and in spite of resistance I went ahead and made it a limited company. Many thought that it will not work. This happened in 1995. Till then we had only three stores,

doing a total turnover of Rs.28 crores. But in the last twelve years we have expanded to fifty-four stores and are marching towards achieving a turnover of Rs.450 crores. The journey has not been all that smooth, but I am happy we have reached where we have reached. I have learnt that profit is a public property and loss is a private affair. Everybody wants to put their hand up in success, but in case of failure they will attribute it only to you.”

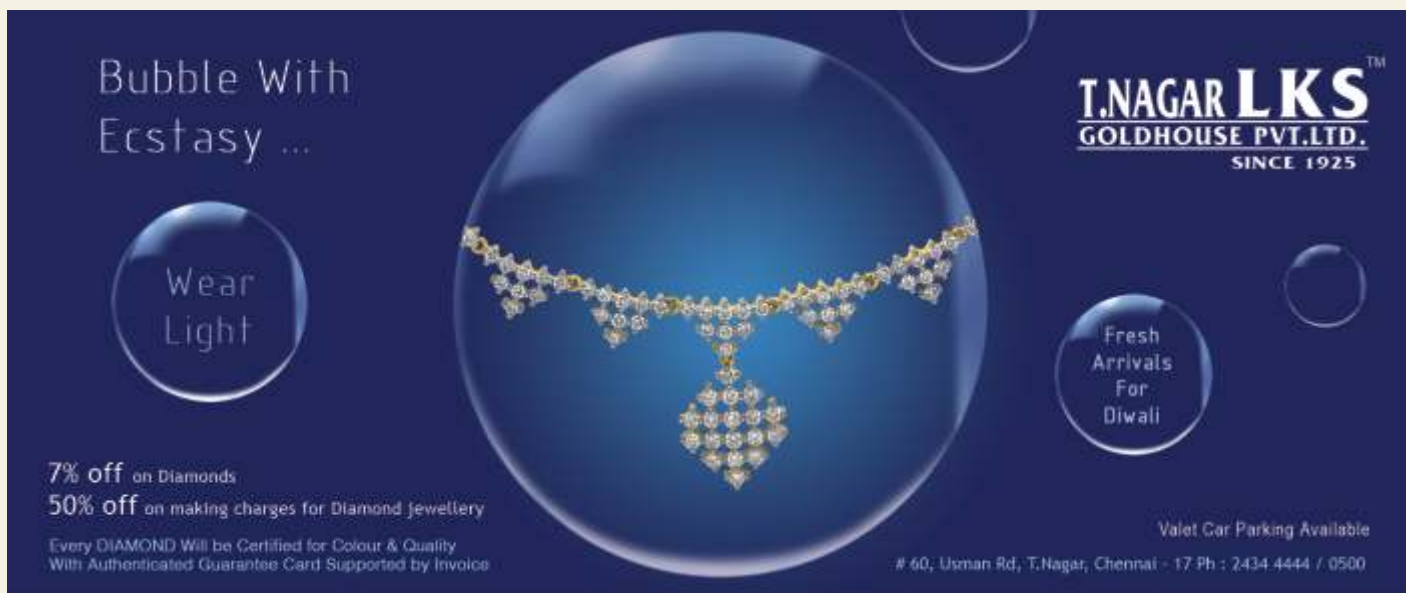
Speaking of grooming the next generation Kodandaraman said, “To me, knowledge, experience and information are power and to be successful, I believe, one needs all the three. Any human being attaches more importance to something that he doesn't have and I am the least educated in my family.

Hence I've ensured that the next generation gets the best of education. I have also made some of them work with the biggest names like Wal-Mart and gain experience. They are not on our Board, but are given individual responsibilities and are made accountable.”

Global giant AIG have signed for a controlling stake in their hire purchase company, for they saw the values and ethics in Viveks more than the size in that sector. When asked how he is percolating the values into the organisation he said, “*Etha raja, thata praja* (like king, like people). If there is enough water in the tank, only then it will flow through the tap. As far as values and ethics are concerned, you don't have to train your people; you just have to show them by living by it. It didn't happen overnight, but it has been built step by step, brick by brick, right from the beginning. Every professional gets tuned into the culture of the organisation, if he stays long enough with the organisation.”



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## The 'PLUS' factor

“My basic philosophy is,” he said, “there should be some achievement everyday. Everyday there could be a setback and one should bounce back. There should always be this objective to leave something which can remain forever and that could be your contribution. To me the order of priority is customers, employees, shareholders, community and only then the self. If there are no customers, there is no business. Commitment to customer is of the highest order and you need dedicated employees to take care of your customers; then comes the shareholders, who've trusted you with their investments; then the community, from which all of us have gained and it is our duty to give back something. If one can take care of the interest of all these, the individual's interest will be automatically taken care of.”

Speaking about the various aspects that have contributed to the success of Viveks, Kodandaraman said, “As an organisation, we have evolved in giving the customer a memorable buying experience - by creating benchmarks in every sphere and following it up with efficient after-sales service. We are the only multi-brand chain having around 200 people in our service department. There may be a few mistakes in our endeavour to serve the customer, but at the end of the day the philosophy which we follow is to answer our conscience by asking ourselves whether we have given the customer a fair deal? Location is another crucial factor in retailing. One wrong decision in choosing the location of the store can cost quite a lot. Sometimes there may be an error of judgment, but the wisdom lies in correction,

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and there are no sentiments involved here. One store in a wrong location can eat away the profits of 10 other stores, and in today's scenario one cannot afford a non-performing asset. Once I was sitting in the seminar of Jack Trout and he said that America is a home of time-tested laboratories and one need not spend millions of dollars and time to learn the trade. I do invest time to learn about the giants like Wal-Mart, Tesco, Carrefour to learn from their experiences and modify such learnings to suit our environment. I also believe that size and the scale of business gives one the negotiating power, and size is power in retail.”

For all the success he has produced, Kodandaraman is very simple, soft-spoken and all his words carry enormous respect for every human being. He said, “If you are simple, you are less complicated to yourself and to others. I consider myself as a very normal human being and don't

carry anything to my head. I feel it is my responsibility to do good to everyone around me. I have also learnt that if you expect nothing, nothing can disappoint you.”

Talking about his future plans he said, “We have been reasonably successful in creating a brand and even Mckinsey has rated us as a brand more trusted than the brands we sell. I believe, the first phase of expansion is over and the second phase is to open at least another 100 stores in southern states and then move to the national level.”

When I signed off his message was, “The journey of life cycle is not easy and is full of challenges. One should have the courage and the conviction to face it. Today, there could be a cloud, tomorrow there will be sunshine.”

Leaving his office I knew these words came out of his life's experiences and I am certain this star will shine more to benefit more.