

Pros Jump Ship as Modern Trade Has Little to 'Excite'

Executives head out as prolonged slump takes a toll on the organised retail sector in the country

**WRITANKAR MUKHERJEE
& RATNA BHUSHAN**
KOLKATA | NEW DELHI

With foreign direct investment in multi-brand retail failing to take off and the sector growth rate slowing last fiscal, those running modern trade are heading for greener pastures in packaged consumer goods companies, which in turn are beefing up the role of such leaders with additional responsibilities and stiffer targets, and elsewhere.

The latest round of management changes comes as several modern retail firms have cut margins and promotional expenditure amid a prolonged growth slump that has seen consumers clamping down on purchases. Signs of a growth recovery are tempered by concerns about the monsoon and prices rising further.

PepsiCo India's director sales, organised trade, Komal Anand quit late last month to join McCain Foods as head of sales, the number two role in the Indian arm of the world's largest producer of french fries.

The departures come on the heels of two key exits in the modern trade division at the country's largest fast-moving consumer goods (FMCG) firm, Hindustan Unilever. One is of sales head Ambarish Bandyopadhyay, while his former boss and vice-president Samardeep Subandh has joined Marico as sales chief.

Industry experts believe some are

leaving to seek new opportunities outside the FMCG sector, which has slowed considerably.

"There have been no great launches in the Indian packaged consumer goods sector across segments with little excitement for senior talent to perform," said K Radhakrishnan, chief mentor at Mumbai-based retailer Freshkins Food, who last month quit as the CEO of Future Group's neighbourhood format.

While food and grocery modern retail has slowed in recent years, last fiscal the growth rate fell below double digits for the first time in India. According to market tracker Nielsen, modern retail — which accounts for 7% of total sales — slowed to 8% growth in 2013 from 32% in 2012. In comparison, grocers, which contributed 72% to overall FMCG sales, grew 9%, with chemists and even *paanwallahs* expanding faster despite a higher base.

"The churn is more to do with the organised retail category slowing down, rather than individuals. While organised retail for apparel and lifestyle is still doing well, it's the supermarket format that slowed down the most... so it (the churn) is a direct correlation," said Hariminder Sahni, MD and founder of retail consultancy Wazir Advisors.

Head-hunters said more exits are likely with several resumes from managers in consumer goods firms handling modern trade and from retail companies floating in the job

Men on the Move

PEPSICO INDIA

- **Komal Anand**, director sales, organised trade, quit last month to join **McCain Foods** as sales chief

HINDUSTAN UNILEVER

- Sales head **Ambarish Bandyopadhyay** quits
- VP **Samardeep Subandh** joins **Marico** as sales chief



GODREJ CONSUMER PRODUCTS

- Modern trade chief & VP **Arvind Venkatachary** moves to Indonesia
- His subordinate **Jatin Panchal** becomes the new head

market. "The optimism in the retail sector is not there with FDI not happening, which has also hit the quantum jump in the sector as it was projected, leaving professionals with little excitement," said Ronesh Puri, MD at search firm Executive Access.

Several FMCG firms have also reshuffled their modern trade teams. At Godrej Consumer Products, the modern trade chief and vice-president Arvind Venkatachary is moving to Indonesia for the company while his subordinate Jatin Panchal is being made the new head.

Leading cereal maker, Kellogg India has recently appointed Veenesh Priyadarshi as modern trade head from beverage maker Coca-Cola to strengthen its team with erstwhile head Jaspinder Vohra is moving to a regional role. GSK Consumer has appointed modern trade profes-

sional Shobhit Roy, who was head of NCR operations at Spencer's Retail, to run its modern trade business.

Mid-segment firms such as the makers of Chik shampoo CavinKare have changed the role of the modern trading head. Bharat Anand will now also look for new business opportunities like institutional sales. "With the slowdown in modern retail, the teams have to look at newer areas for growth," said chairman CK Ranganathan. There have been some exits even in food and grocery retailing too. Future Group's Radhakrishnan and HyperCity's expat CEO Mark Ashman quit last month. Ashutosh Chakradeo stepped down as chief merchandising officer at Hypercity a few months ago.

writankar.mukherjee
@timesgroup.com