



EXECUTIVE ACCESS

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TÊTE-À-TÊTE

CONVERSATION WITH LEADERS

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TÊTE-À-TÊTE is a regular series of interactions that Executive Access has with top industry leaders, CEOs, and founders of organizations. Our latest issue brings you first-hand insights from our exclusive chat with Aditya Gupta, Chief Executive Officer, Orient Bell Ltd.

Aditya Gupta

CEO

Orient Bell Ltd



Aditya is an Engineer MBA from IIT Bombay and IIM Bangalore with 30 years of multi- functional experience in industry leading companies like UB Spirits, Bharti Airtel, Reliance Communications & TATA Group. Throughout his career, he has been recognized & awarded for delivering consistent revenue growth and boosting margins through strong leadership, customer obsession and executional excellence. He is a business leader with strong operational experience in Sales and Marketing, having built powerful brands and developed strong Sales structures and operations all over the country. Aditya spent the early part of his career in Sales & Marketing at Shaw Wallace, and moved to the Telecom Industry in 2004 when he joined Bharti Airtel as VP Sales & Marketing. After significant stints at Airtel and Reliance Communications Ltd, Aditya spent 8 years in Senior Business Leadership roles at Tata Teleservices, where he was the Head of their North, West and East Operations, managing P&L & revenue in excess of INR 4,500 CR. Most recently, Aditya was the Chief Business Officer at TATA Power, leading their foray into Greenfield ventures such as renewable energy and electric vehicles. Aditya has always been drawn to competitive sports. He was part of his school & college Tennis, Table Tennis and Basketball teams. Today he is a regular Bridge player and an occasional golfer. His reading interests range from fiction to Indian mythology and technology. Meenakshi, his partner (aka 'life boss') for 24 years is a fitness enthusiast and an off and on teaching professional. They have two children; the elder is a Gold medalist from IIT Mumbai currently doing MS in Artificial intelligence at Stanford University. The younger one is in 12th and wants to pursue engineering studies.

Take us through the journey of your career, the how's and the why's of your life, the decisions that you took and now your role at Orient Bell.

I have worked in three very different industries, the Alco-beverage industry for about 13 to 14 years, the telecom industry for another 13-14 years, and now with the building and construction industry. Within each of these stints, I've been very focused on getting as many different experiences as possible. During my stint with beverages, I have done stints in frontline sales at multiple locations in the country - from Tamil Nadu to Kolkata and to Delhi. In telecom, I worked in very different roles across Sales, Marketing, P&L Leadership, and now tiles. I have been focused upon ensuring that after every three odd years while being in the same company, I've always changed my role, either the geography or the nature of the job I'm doing. This has really worked for me. It also helps that one doesn't get bored with the job that one is doing and there's always a new challenge, a new frontier, something to really apply yourself to!

"The industry is so hungry for innovation that the chances of success, if you think differently are much higher than any other industry!"





Tell us a little more about your learnings and the differences you saw in these industries.

Every industry has its strengths and weaknesses and there are very different things that one can learn in industry A versus industry B because of the very nature of that industry. Alcoholic Beverages is an extremely regulated industry with many restrictions. They were things, which one could not do there which was very different from what telecom could. Telecom, at an operational level, was a free-for-all environment while in alcoholic beverages, one had a lot of state rules and regulations to abide by.

After a certain period, I asked myself about what I was really missing out on. Alcoholic Beverages was definitely nowhere as fast-growing as telecom. We used to think about brands and about distribution structures from a very long-term perspective, they existed for five, ten, 15-20 years, and things do not change dramatically. In telecom, you needed to grow revenue month on month by two, three, and 4%. The speed with which the business would grow was dramatically different between the two. Alcoholic Beverage is a stable giant that grew by 10% a year, whereas, in telecom, I was growing revenues by 3% month-on-month, meaning, and 45% a year and we would still have another region grow at 60%!

Secondly, the spread and depth of distribution that Telecom could achieve, was unheard of in the alcoholic beverages industry because, one needs to abide by the distribution structure, which the government has put in place, one cannot innovate and expand easily. I remember when I was in Airtel Punjab, as a Sales Head. We launched an initiative, where within six months we planned to have direct coverage of our distributor field force at every single village of Punjab with a census population of more than 5000 people. We were the only brand, across industries, to have this penetration. Even FMCG was actually distributed in these 5000 villages to a wholesaler, where a kirana shop owner, would buy something from the nearest mandi and stock XYZ brands. Therefore, the company or the company distributor had no direct link to this. No other industry would have that intensive a distribution network that was created in telecom.

The third difference for me, and this is something which I think I realised a bit later, was technology. In the alcoholic beverages industry, the only technology I was exposed to, was my laptop, E-mail, PowerPoint and Excel sheets. However, in telecom, the whole product is a technology product. You are selling technology, networks, monitoring network rollouts, network performance etc. When I moved on to become a Circle CEO these became very important and critical for the job. This understanding of technology, which I picked up in my 13-14 years of telecom, taught me how technology can help solve routine business challenges.

Give us an insight into your leadership style and 4-5 attributes that you really value and carry yourself.

So I think one of my basic philosophies has always been that value gets created at the interface of different functions. I try to do different things and try to do things differently. Somewhere between these two tenets, I find a lot of value being created. I have seen that for any business problem, the solution might partly lie in Department A, another part of it with Department B and so on. My skill is to recognize these pieces, since the individual Department Head who would be the functional expert won't be able to see how that piece fits into the larger picture. I spend a lot of time and effort trying to see how a solution can be created from different pieces while retaining inputs from different departments. This leads to solutions that are robust, effective and easy to implement.

The second thing is working very hard. Especially in an industry like building and construction, which is a very old-fashioned industry. It is not an industry where you can build scale overnight because of the very nature of the industry and the nature of decision-making by the customer. One needs to keep pushing the same lead, the same customer, multiple times for the same deal, one needs to convince the purchase manager, the builder, the architect, and so on. Therefore, persistence makes a lot of difference.





The third is setting very clear expectations for people who work with you. One of my first projects was to create goal sheets, which was a novelty in Orient Bell and still a novelty for the tile industry. We started small, with about 50-60 people in the first year but today, we cover all 350+ managers. Once the goal sheet has been discussed, agreed upon, and finally put down, the target is clear and is expected to be achieved with micro-management. I also insist on very robust dashboarding so that I know what is happening and don't get shocked.

Fourth, which comes from my telecom background and which has really helped us in the last 4-5 years is digitizing. In addition, I think that is something extremely important we have done right. Over the last four years, we have won multiple awards for our digital interventions. Recently we had an award for the App of the Year where the competitors were the who's who of the building and construction industry, including, cement, paints, construction chemicals, etc. We are taking each of our processes and digitizing it, creating tools, for front liners in the factory and in the field. I have personally led this organization, which has really helped differentiate us.

These are some of the reasons that though attrition is always a challenge, a large number of employees who have left us joined back in six to nine months at the same pay, even though the job in between may have offered a hike of 20-30%.

These are large structural changes are you also tackling issues on the ground that are important?

We do many small things right. For instance, telling the team that our salaries will be paid on the 3rd of the month and ensuring that it gets done. In the last five years, there was only one instance where it was not paid on time, during the first Covid wave. It was paid two or three days later. We also realized somewhere down the line that people were not getting their expenses cleared on time. We set up a process and digitized the whole thing from the way that claims are submitted, to the way it is processed and at any given point in time if a delay is happening, I am aware, of which part of the process is holding it up. While interviewing people, one of the things that we hear about Orient Bell is that, the claim settlements happen on the dot. I think that we are even ahead of the larger companies that I have worked with in terms of digital solutions and digital enablement of payments. These and so many small issues that have been ironed out really matter.

How did the pandemic affect you? Especially over the past two years.

It was tough we entered the pandemic as we had two years of top-line decline however in the first year of the pandemic; I think we were one of the very few companies across industries in India who actually had a top-line growth even though there were three months, which were lost. In the second year of the pandemic, we were between the top two fastest-growing companies in the industry and our cash flows improved considerably. We have paid off all our debts and loans. We invested in the last three years, about 6-7% of our turnover into CapEx, which was historically about 1 – 1.5%, into modernizing our plants. So from that perspective, the company has grown extremely well during the pandemic, not just on the top line, but the bottom line as well.

We were constantly talking to our people, and training them. We were lucky because, for the two years before that, we had been developing all kinds of tools. So there was already a critical mass in terms of our digital tools. During the pandemic, we started outreach programs, and training programs for our sales team, for other departments and channel partners. Our channel partners especially were very grateful and accepted our invitation to join those programs. All of this is reflected in every single business parameter improving enormously. Our outstanding dropped; our revenue grew very well, as did our profitability. From a business perspective, this was the best one could ask for!

Given that this is one of the oldest sectors, how do you see talent shape up in the times to come? Do you see a move towards the sector becoming more organised?

Let's take the example of the paints industry, the consumer is the same whether it is for paint, adhesives, sanitary ware etc. These industries have managed to professionalize themselves over the years, so I think that is the direction the tile industry will also take. Internationally, this is a very fragmented industry even in Italy or Spain, which are the biggest producers in the world; there are hundreds of companies with a small market share. In the end, however, I see no way out, the industry will definitely formalize. In the past channel partners were dependent on relationships but with businesses becoming more competitive, they cannot depend on relationships alone to survive.

Let me tell you an anecdote. I met a very old channel partner who was with us for over 30 years; his son who was in his early 30s was also there. His son told me that he had someone create a clone of our app for him, screen for the screen with a filter for each of his companies. The reason I am sharing this is to show how our channel partners are changing. Especially the younger channel partners being engineers and professionally qualified are far more ambitious. Though they do not have the decision-making power in most cases today, in another five years, these guys will be the ones deciding. The industry has to change, we do not know when or how fast it will change, but the direction is extremely clear.

India is a massive market, but this sector is still largely unorganized, how do you counter that or what do you see as the future of tiles?

Conventional wisdom believes that the unorganized will slowly become weaker, but I'm not so sure about that from a 5-year perspective. In the last five years, I've seen a lot of formalization happening in the unorganized sector, because of GST, eWay bill discipline etc. Avoidance of taxes, which the unorganized sector was doing with impunity, is a lot more difficult now. I think the push for the organized sector will come from the use of technology and from the consumer side. As customers evolve and they are looking for more assistance during decision-making, there will be a lot of pressure coming in from the market.

I'll share some interesting statistics with you. The number of searches for tiles on the Internet is similar to the number of searches for paints, while paints as an industry would be maybe 4-5 times bigger. This implies that the customer is not happy with the present situation. He doesn't know where to turn to while making a decision about buying tiles. He spends a lot more time trying to educate himself or herself on the net before landing up at the channel partner. Five years ago, Orient Bell used to have 6-7000 visitor hits on the website in a month. Today I think we have somewhere around 4,00,000 to 5,00,000 hits. Many people are interested in actually going to the website and wanting to find out about the product that they are going to buy.

Orient Bell is now one of the oldest brands in India, do you think it has not leveraged itself to its full potential?

Absolutely! The potential is huge. I think we have been in this industry in making tiles for almost 5 decades and we can always talk about what we could have done better. However, I think the focus clearly is to do a lot more. One of the first discussions that I had with my Managing Director when I was evaluating this position was to understand where Orient Bell was, on distribution markers, and brand markers, where the leaders in the industry were, and what needs to be done to get there. I had just one input to offer. We have done this competition benchmarking, but this information is a year old. The competition has already moved five steps ahead. If we think that we will beat them at a game that they have excelled at all these years, it's not going to happen. We certainly have to build on these markers, but at the same time, we have to find a different way to negate their lead over us and catch up. Digital was one of the ways that we thought we will do it and that's why we are kind of focused on it so much.

What is your vision for the organization?

So we have a very simple vision which you'll find across the organization, this guides everything we do, we are saying, "Make tile buying and selling easier". This is something which works for my salesman when he's trying to go out and sell tiles to a customer. I also interpret this to be working for my channel partner when my channel partner has to sell tiles. We're doing a host of activities which make our channel partner's life easy and make life easy for Individual consumers like you who go to our website, by providing a set of tools, visualization, by providing pricing, by providing him with a call centre etc. We even have a pilot going on where people can place their orders on the website for tiles and we are ensuring that the tiles reach their doorstep. This simple vision is easily interpretable and easily actionable for very different parts of the organisation. Everything we do, revolves around this – are we making our stakeholders' life easier?



A futuristic question, do you think that there will be an online marketplace for building materials, including tiles built into it?

Globally, it is there for sure. I visited these Home Depot stores in the US and I have spoken to some people as well. A very large part of the business is from individual customers. I'm certain it will happen. We have seen most trends, which are happening globally, do happen in India too but with a time lag. For the last two years, we have been running this pilot of collecting orders directly from our website, collecting payments on our website and then servicing it. 2 years ago, we were struggling to get 10 orders a month. Today we are close to about 100 orders a month. A hundred orders a month still does not mean much from the overall business point of view but we see there is an increasing number of customers who are finding value in this. With customers having lesser time on their hands, I think this number will keep increasing.

On the lighter side, how do you kill your time when you're not working?

Okay, both my kids are in the US. Therefore, my wife and I are empty nesters. Personally speaking, I have four activities. At least three of those activities get done every week. One is a session of bridge once a week with my college friends, a round of golf, tennis and jogging. Therefore, between these four activities, at least three activities happen every week. On a lucky week, all four activities might happen. A bit of TV and then, of course, take long walks with my wife.



Finally, any advice to people who are looking at making a career in the tiles industry or entrepreneurs and CEOs?

As an employee, speaking for the tile industry, to succeed here you have to do two things. One is you have to unquestioningly accept the current structure of the industry and find ways and means of excelling within it. However, at the same time, one has to ensure that they constantly bring in some small changes on a daily basis. Build something new that will really help differentiate you. Work on both aspects of it. One will not be able to change the way the industry works in a short period. One has to understand and learn to run with the industry the way it is today, but at the same time keep paddling under the surface to change things. The industry is so hungry for innovation that the chances of success, if you think differently are much higher than any other industry!

As an example, 15-20 years back the biggest tile that was being manufactured was a 2-inch by 2-inch and then they started making a 4-inch by 4-inch tile and that was much appreciated. Today, we are manufacturing and selling tiles, which are, 4 feet by 8 feet! The technology used in the manufacturing of tiles has changed dramatically even in the last five years.

Having said that, the way we buy and sell tiles has remained comparatively stationary, as the way we are approaching our customers, talk to them and display our product or benefits. This has not changed. The sales techniques are the same, you meet 10 guys and you ask them what's so great about them and what are their achievements in the tile industry, 9 out of 10 times, if he's a sales guy, he's going to say that he knows these five big dealers in that territory and the relationship is really well built. Therefore, I think this is where disproportionate value addition and value discovery can happen.



Interviewer's Profile

Rajesh Pundir, Managing Partner



Rajesh has spent over 18 years of his career spanning over 2 decades with Executive Access. He has consequently supported, not just the evolution of practice areas, but also the underlying processes of Executive Search. While he has successfully facilitated over 300 search assignments across sectors and functions that span multinational corporations, family businesses and SMEs, he has also built the legacy of valued partnerships. His advisory capacity is acknowledged and sought by our clients and candidates alike.

His sectoral expertise is highlighted through the various projects he also undertakes for Market Intelligence studies and SWOT Analyses, apart from search. Specifically, he addresses the FMCG, Consumer/Retail, Media, Engineering and Aerospace industries. Rajesh is a subject matter expert for the Legal and Corporate Affairs functions, and takes specific interest in these searches.

His core qualification is a Bachelor's degree in Law and he's pursued his Master's in Business Administration from Himachal Pradesh University, Shimla. He is a sports' enthusiast and an avid reader, in his spare time.

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