

ID FRESH: THE WAY FORWARD

Professor D.V.R.Seshadri and Mandar Nayak wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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In March 2014, P. C. Musthafa, managing director of ID Fresh, a ready-to-eat and ready-to-cook food business, was on his way to a board meeting at the company's head office in Whitefield, Bangalore. Musthafa had several thoughts on his mind. At the board meeting, he planned to outline his strategy for ID Fresh up to 2020. The company had touched INR430 million in revenues in 2014, and was aiming to reach INR5 billion by 2020. Musthafa was well aware that for a company that had started only in 2005, its performance had been very good, and the goal going forward was equally ambitious. The big motivator for Musthafa and his team at ID Fresh was "touching the lives of half a million people a day."¹ He also knew that the co-founders of ID Fresh, Abdul Nazer, Jafar Thazhe Kandy and Shamsudhen Thazhe Kandy, and their partners, Sujeeth Ravindran, Asif Masood and Venkata Rajesh Ayitam, also had ambitious plans for ID Fresh. He was quite sure that they would support him in his strategy.

Musthafa knew that one of the most critical challenges going forward was to transform ID Fresh into a professional organization, which was essential for its growth. The first step in this transformation was to put in place a team of highly motivated professionals. The other challenge was to reconcile the working style of its professional staff with that of the founders. The founders came from very humble backgrounds, and, together, they had overcome many hurdles. They were now tasting the sweet fruits of success, both at the organizational level and the personal level. For the founders to hand over the reins of the company to a team of top-class professionals and empower them to take it to the next trajectory of growth was a challenge for any similarly placed company at the best of times. Musthafa also knew that ID Fresh would need to scale up in the form of additional funds and resources — both physical assets and human resource.

With a firm conviction that ID Fresh should not compromise on its core values, which, over the years, the founders had scrupulously and steadfastly adhered to, Musthafa believed that consensus among the founders would be vital in evolving a robust blueprint for strategy formulation and implementation at ID Fresh.

¹ Radhika P. Nair and Madhav Chanchani, "Innovation in Food Products: Foodpreneurs Look to Serve Indian Foodies through New and Efficient Business Models," *The Economic Times*, online edition, April 11, 2014. http://articles.economictimes.indiatimes.com/2014-04-11/news/49058639_1_indian-food-food-products-food-services, accessed April 17 2015.

ABOUT ID FRESH

Founded by a group of entrepreneurs from a small village in the southern Indian state of Kerala, ID Fresh Food (India) Private Limited (ID Fresh) was a manufacturing and marketing organization in the food processing industry. It marketed its products to more than 5,000 retail stores in six cities in India and two cities outside India.

ID Fresh manufactured ready-to-eat and ready-to-cook products, primarily batter for the home preparation of *idlies* and *dosas* (staple South Indian breakfast dishes made of lentils and rice) and semi-cooked wheat and flour *parathas* (layered flatbread). Apart from these items, ID Fresh produced ready-to-eat products, such as tomato chutney, coriander chutney and *chapatis* (flatbread).

ID Fresh started its operations in Bangalore in 2005 and later expanded to other cities in India, including Mangalore, Mysore, Mumbai, Hyderabad and Chennai. It also had a presence in the United Arab Emirates, with a local manufacturing setup in Ajman and sales operations in Sharjah and Ajman. At each of the locations where it operated, ID Fresh had established manufacturing units for its products and had teams to handle sales and distribution. Intensely focused on costs, ID Fresh management had set up a very committed and efficient distribution team, which provided timely and prompt service to its customers.

ID Fresh delivered its products directly to retail stores on a daily basis. The distribution routes were carefully designed, and each was overseen by an assigned route manager. The ID Fresh production facility manufactured the products on the basis of the estimates provided by the route managers, with an emergency buffer of 4 to 5 per cent. The company used delivery vans to distribute its products to its customers, which included retail stores (which catered to consumer markets), restaurants and other catering establishments (which formed part of the company's business markets). The delivery timings were fixed and based on the agreement between ID Fresh and the retail store. ID Fresh ensured that customer concerns about delivery and quality were resolved during weekly visits by area sales managers. The company conducted thorough quality checks of its products; in the event that any defects were found, the stock was immediately replaced without any questions.

The company was organized into three geographic regions: the North, West and South divisions (see Exhibit 1). Each division was overseen by a regional head reporting to the managing director. Each regional head was responsible for profit and loss, production, sales and distribution of products in their geographical region.

The founders and partners of ID Fresh performed critical functional roles in the organization. Musthafa was the managing director and chief executive officer; Nazer was the director of New Products and Markets; Shamsudhen (Shamsu), the director of Production and Jafar the director of Sales and Distribution. Ravindran was the regional head for the West and North divisions, Ayitam headed the operations in Hyderabad and Masood was the regional head of operations in Dubai and Ajman.

THE EARLY YEARS

ID Fresh was the brainchild of Nazer, Shamsu, Jafar and Musthafa, cousins who hailed from a village near Wayanad, Kerala. Each had started off his entrepreneurial journey quite differently, but their close bond and entrepreneurial spirit culminated in their coming together to create and develop ID Fresh (see Exhibit 2).

Small Beginnings: Setting up a Neighbourhood Shop

Nazer, the eldest of the cousins, and Shamsu, saw the opportunity in the retail business in Bangalore. Nazer recalled:

In those days, retail stores in Bangalore were mainly mom-and-pop shops. I was supplying spice to these shops and sensed that a retail shop in Bangalore would be good business. With the money I had earned, I started a *kirana*² store at Thippasandra, Bangalore.

Nazer and Shamsu divided the work: Nazer was in charge of supply, and Shamsu handled the shop operations.

Building the Business: The Teashop Opens

In 1996, Nazer and Shamsu decided to start a teashop at the store with help from the owner of the building in which the store was located. Nazer recalled, “Neither of us knew how to make tea, but we convinced the owner that we would make and serve good tea.” They hired an unskilled worker to make tea and maintain the shop, but it soon ran into losses.

Around this time, Nazer’s youngest brother, Jafar, decided to join his brothers in Bangalore. Before coming to Bangalore, Jafar had tried starting his own entrepreneurial venture, but had not done well. Jafar recalled, “I was quite sure that I wanted to be on my own rather than work for someone. However, when my brother Nazer called, I decided to come to Bangalore and start afresh.”

Nazer sent Jafar to do menial jobs at a shop owned by Nazer’s acquaintance. Nazer told him, “Your boss is a tough Malayali [a Malayalam-speaking person from Kerala], but he is a family friend. If you work with him for six months and prove yourself there, then you can work with me.”

The Turning Point

By 1998, after completing a year at his job, Jafar was handed the reins of the teashop. Due to Jafar’s diligent and persistent efforts, the teashop started making profits. This experience boosted his brothers’ confidence in him. Soon thereafter, the kirana store also started to do well, with monthly revenues of approximately INR30,000. For Nazer, Shamsu and Jafar, this success was the result of sheer luck, hard work and, most importantly, teamwork. As Nazer recounted, “We got the teamwork right, as a result of which we got other things right. We could now concentrate on other areas, get good salespeople and scout the market for better businesses. We also started to think of the investments we needed to expand our business.”

THE CREATION OF AN ENTERPRISE

By 2004, it became obvious to Nazer that the city of Bangalore was growing exponentially, and more families would make Bangalore their home. Nazer recounted:

I sensed that the population growth in Bangalore would mean an increase in double-income families. I knew that housewives never compromised on the quality of food prepared at home, but

² *Kirana shops were small, neighbourhood stores or groceries found throughout India.*

also wished that they could prepare food in as little time as possible. This was even more true in the case of working women.

Idly/Dosa Batter

In 2005, Musthafa, who was a childhood friend and a cousin of the brothers, agreed to invest in the business. Musthafa was working for an IT company in Bangalore when he met with the three brothers. A computer engineer with a post-graduate diploma in management, Musthafa suggested that they look for additional areas to expand their business. Nazer said, “We could clearly see that with an MBA, Musthafa understood business better than us. He also drove home the importance of processes and systems in any business.”

Shamsu and Nazer hit upon the idea of supplying households with idly/dosa batter. Shamsu said: “Around that time, dosa batter was being supplied by Tamilians [Tamil-speaking people], and they were marketed in plain plastic bags. The packaging was not great. We started thinking that in Bangalore, even if we targeted 1,500 shops, there was a great potential market to be tapped.”

Thus, ID Fresh was born. The cousins started with a small investment, and their efforts were localized. Shamsu said, “I prepared the batter myself, we conducted trials with 20 packets, mainly to understand customers’ response to our batter.” The customers responded that their batter was better than competing offerings. Within a month, more than 20 shops had purchased their batter, with each shop purchasing about 5 kg a day.

By late 2005, daily batter sales reached 100 kg. The cousins leased a small factory at Kaggadasapura, about 10 km from their kirana store. The factory was approximately 1,300 square feet, and had the capacity to produce 800 kg of batter per day. By early 2006, within three months of starting factory production, batter sales had reached 500 kg per day. Nazer explained:

We got good references from our retail shop customers and made new contacts. We developed a system of pre-designed geographical routes to serve our customers and ensured good quality and service. We instituted detailed planning and costing systems, which estimated that we needed 500 kg per day of sales on each of the geographic routes to achieve break-even for that route.

By early 2007, sales of their batter had reached 1,000 kg per day, and the cousins knew that they had only started to grow. According to Nazer, “We realized that we could make a higher quantity at a high quality and that there was a very large opportunity in Bangalore. And we were right. By the middle of 2007, sales of our batter touched 4,000 kg per day.”

New Products — Parathas

Having achieved very rapid growth, and with a ready market to which they could cater, ID Fresh decided to develop new products. The cousin brothers found the ideal solution in their village, near Wayanad. Musthafa explained:

During one of our visits to a restaurant in our village, we noticed that there were hardly any customers at the restaurant. The customers were vehemently complaining to the restaurant owner about the poor quality of the food. The restaurant’s chef had decided to leave and not return. A week later, when we visited the restaurant, it had closed down!

The cousins realized that if they could prepare parathas using the right mix of ingredients, they could access a steady market. Made of wheat or flour, parathas had a shorter shelf life than idly/dosa batter. Based on this insight, ID Fresh decided to produce semi-cooked parathas and deliver them in well-sealed packages to retail stores.

Early Setbacks

After tasting success in Bangalore in 2007, ID Fresh decided to expand to Chennai. The Chennai market was very competitive, and ID Fresh had difficulty in gaining a similar positioning to what it had enjoyed in Bangalore. ID Fresh was not able to develop the right batter mix to satisfy prospective customers in Chennai. It was particularly difficult to get the right ingredients for a good quality mix. Nazer explained:

We had difficulty getting good quality *akki* [white rice] at the right price. The Tamil Nadu government had a scheme of providing rice to below poverty line families, and because of the scheme, it was difficult to get good quality rice at the right price. We were forced to accept defeat and realize that we could not compete in that market.

Ten months after its entry into the Chennai market, ID Fresh decided to close down its operations there and withdraw from the Chennai market completely. Nazer said, “It was setback for us and a bitter experience. We concluded that our strategy for idly/dosa batter would never be successful in Chennai.”

Strategic Expansion and Growth

Despite disappointment in their experience in Chennai, the founders had learned some important lessons. The company reformulated its strategy, and in 2012, it decided to launch only its parathas in Chennai. It conducted focused market tests to understand the gaps in the marketplace and to identify the customers for semi-cooked parathas. The team carefully developed its distribution routes, 12 in all, to better serve the retail stores. The sales of semi-cooked parathas soon picked up, and ID Fresh also began offering idly/dosa batter to these retail stores. The feedback was good, and the team was able to gain a strong foothold in the marketplace. In Nazer’s words, “Our team was well-prepared. Our strategy was well-planned.”

The milestones in the entrepreneurial journey of ID Fresh are provided in Exhibit 3. In August 2007, ID Fresh moved production to a factory in Hoskote, 30 km east of Bangalore. The new factory had a production capacity of 6,000 kg per day. In December 2007, Musthafa quit his job and joined ID Fresh on a full-time basis. Over a period of time, he instituted robust systems and processes spanning such functions as operations, finance, accounts, sales and distribution.

By 2010, ID Fresh had attained daily sales of 10,000 kg in Bangalore alone (see Exhibit 3). ID Fresh ensured that the deliveries to the retail stores were made on a daily basis, which helped build its reputation as a company that offered genuinely fresh products. The retail stores paid for the deliveries daily in cash. The deliveries and cash were reconciled every day, and the account books closed for the day. This way, ID Fresh ensured that its working capital requirement was kept to a minimum. By 2011, Ravindran (Musthafa’s former classmate from the National Institute of Technology), Ayitam (a huge ID Fresh fan) and Masood (Musthafa’s family friend) had also joined ID Fresh as partners.

ID Fresh expanded to other cities in India, including Mangalore, Mumbai and Hyderabad (see Exhibit 3). It also started its overseas operations in Sharjah and Ajman, in the United Arab Emirates. Income from

sales grew steadily (see Exhibit 4). The company progressively introduced new products, including chapatis and chutneys (see Exhibit 5).

ID Fresh's expansion into other cities was largely driven by the founders and partners' willingness to take on specific roles. For instance, in Chennai, and later in Mangalore, Jafar took the lead in setting up sales and distribution operations, while Nazer was involved in setting up the production facility for idly/dosa batter and parathas. Similarly, Ravindran largely managed the expansion into Mumbai, while Nazer played a supporting role in setting up the Mumbai production facility. In Hyderabad, Ayitam set up sales and distribution operations, and Nazer set up the production facility. The company's expansion into Dubai was largely driven by Masood.

FORMING A CO-BRANDING PARTNERSHIP

In 2011, Nilgiris, an Indian supermarket chain, approached ID Fresh and suggested that it produce its products only for Nilgiris. ID Fresh proposed that the two companies join in a co-branding effort. This way, ID Fresh would ensure that Nilgiris continued to have reliable and quality products delivered to each of its store locations. The arrangement helped ID Fresh greatly as a market study project. ID Fresh had access to the database of Nilgiris's stores and could track the inventory levels of its products and demand at the stores across South India. As a result, ID Fresh could identify the market potential for its batter in other South Indian cities.

THE TAKEOVER CHALLENGE

By 2011, ID Fresh was selling 15,000 kg of batter per day and had reached INR170 million in annual sales revenues. One evening, Musthafa received a phone call from the chief executive officer (CEO) of a large organization operating in the food processing sector, who asked for a meeting. Musthafa imagined that the meeting would relate to a prospective order for ID Fresh products and agreed to meet the CEO the following day. At the meeting, the CEO offered to acquire ID Fresh for INR600 million and was willing to go up to INR1 billion. Musthafa recounted:

It was a very pleasant and surprising experience. I was a bit taken aback. The money being offered was good. It was a fair value for the hard work of the co-founders. I asked the CEO why his organization, which already ran a multimillion-rupee food supply chain, wanted to buy our company. He said that he realized that there was huge potential in the market space that was being dominated by ID Fresh. However, he said that his distribution team was not up to speed to meaningfully capture this high potential and fast growing market.

Although Musthafa enjoyed the meeting and even counted the CEO among his good friends, he politely refused the offer after consulting with his co-founders and mentors.³ He believed that it would not be long before ID Fresh reached INR1 billion in annual revenue; thus, selling it was out of the question.

FINANCIAL INVESTORS

In late 2012, a multinational venture capital (VC) firm invested INR300 million in ID Fresh. This investment was a big boost for ID Fresh because it needed funds to expand into new markets and new

³ "Know Your Alumni Series: Musthafa P.C." *Indian Institute of Management Bangalore Post-Graduate Program in Software Enterprise Management MBA Blog*, July 15, 2011, <http://iimbpgsem.blogspot.in/2011/07/know-your-alumni-series-musthafa-pc.html>, accessed February 13, 2014.

products. The investment also meant that, as an organization, ID Fresh was seen by the investor community as having much potential. The VC firm's investment gave Musthafa and the co-founders newfound confidence and they set about building the company to harness that potential.

ETHICS AND VALUES

The ethics and values at ID Fresh were closely linked to the religious faith of the founders, which had been deeply forged into the culture of the company. These values included acting with benevolence and being of service to humanity. The co-founders of ID Fresh ardently believed and practised these values and ensured that as the company grew, these values were steadfastly ingrained in the company's psyche.

One principle that was strictly followed was not to avail of any loans, even in times of desperation. Nazer said:

We objected to funds that charged interest, as charging interest was against the principles of our religion. We wanted to prove to others that it was possible to conduct a profitable business without taking interest-bearing loans. We could be a zero liability, debt-free company only because we had strong ethical principles for ourselves and in our relationships with others. It was our dream to take this message to the world.

For the founders, remaining steadfast to their ethics and values was more important than profitable growth. Nazer said, "You will be tested by God, to see how you react in difficult times. If you hold on to your principles, you end up always emerging as a winner in the eyes of God and the world." When asked for a concrete illustration of how these principles manifested in business, Musthafa offered the following example:

In 2009, the Taj group of hotels, which was part of the Tata group, wanted to purchase our chili diamond chips. It was a large order and the Taj group had agreed to purchase INR1.5 million to 3 million chili diamond chips every month. When we realized that they wanted to use our product as a bar snack to accompany liquor, we decided not to take this very lucrative order.

Even in their deal with the VC firm, they objected to the clauses that were related to interest, i.e., fixed return, fixed internal rate of return, anti-dilution, liquidation preference, etc. The founders were firm that they would not accept funds that would be charged interest. Nazer proudly reminisced, "The VC firm managed to give us a completely ethical deal on our terms. If you believe in something and stand by it, you will be able to cross the bridge and overcome any obstacles that come your way."

FUTURE OF ID FRESH

The future of ID Fresh was closely aligned with its founders' vision and dreams. The founders firmly believed that they should be able to give back to society, especially to their small village near Wayanad. The founders planned to sell off ID Fresh in 2020 and use the money for the development of the people in their village. In Jafar's words:

I never had great ambitions for a luxurious life. All I want are the basic necessities and that my children get a good education. But with God's grace, I have managed to achieve that. After five years, I would like to go back to my village near Wayanad and settle there. After my children complete their education, I want to start a small business and have a well-planned life. I seek nothing more.

The founders also believed that ID Fresh's growth should be well planned and that, in achieving growth, it should maintain the spirit of teamwork. Nazer observed: "A company can grow only so long as there is teamwork. If you look at what ID Fresh achieved, you will notice that we managed to reach there because we were able to build on the strengths of other members of the team."

The founders were also sensitive to the fact that ID Fresh was a family business and would need careful nurturing for stable growth. Nazer said:

For a family business to succeed there should be mutual respect among the co-founders. I started the business in Bangalore and my brothers joined me later. However, it was only when we got our teamwork right, that we tasted success. My brothers brought in that element. When relationships are well maintained in a family business, it is possible to succeed. In my village, there have been other family trades and businesses, but after reaching a certain level, the partners in the business have separated. My brothers and I lived in the same house, under the same roof. This strong bonding and trust in each other perhaps explains the great relationship we enjoyed as partners in our business as well.

The founders were entrepreneurs at heart. They were also well aware that they would never be able to stop working. Shamsu declared: "Personally, I don't have a dream. But I believe that I have found my calling in life: to provide a basic livelihood to needy people in my village. I will work as long as my health permits. I do not have plans to retire, ever."

Making the Transition to a Professionally Run Organization

The founders were united in their desire to rapidly professionalize the organization, and, rather than perceiving the issue of transition as a challenge, the founders saw it as an opportunity to sustainably scale up the organization going forward. For instance, a think tank comprising the founders was formed to work on new businesses—developing new ideas, new products and new markets. Among the ideas proposed by the think tank was a home delivery model, which they felt would be a game-changer. One of the founders took up the challenge of setting up the model, with the implicit understanding that once it had been proven, it would be handed over to a professional to be rolled out in various markets.

The founders' trust in Musthafa's leadership was vital for ID Fresh to make a smooth and successful transition from a family-driven organization to a professionally run organization. Musthafa had envisaged this challenge early in the organization's life and had identified production, sales and distribution as critical functions to be headed by professionals. These functions were to have a national head reporting directly to him. Each geographic region would have functional managers, and they would report to the respective functional heads of the company. For instance, there would be a production head in Chennai, who would report to the national head for production.

THE WAY FORWARD

From his earlier experience of working with large multinational corporations, Musthafa knew that for ID Fresh to continue the rapid growth trajectory it had enjoyed for the last eight years, it would need sturdy management processes and systems. For instance, human resource management was a key function that needed a strong process-oriented approach. Many employees in the organization were either related to the founders or belonged to the same village. As a result, evaluations of their performance were subject to founder bias. Going forward, Musthafa knew that unless the human resource management function

developed a strong process-oriented approach, it would be difficult to attract high-quality professionals, who would expect their performance to be objectively evaluated. This dilemma was further exacerbated by the founders also working as employees in the organization. Musthafa knew that this situation was a sensitive area and needed to be addressed cautiously.

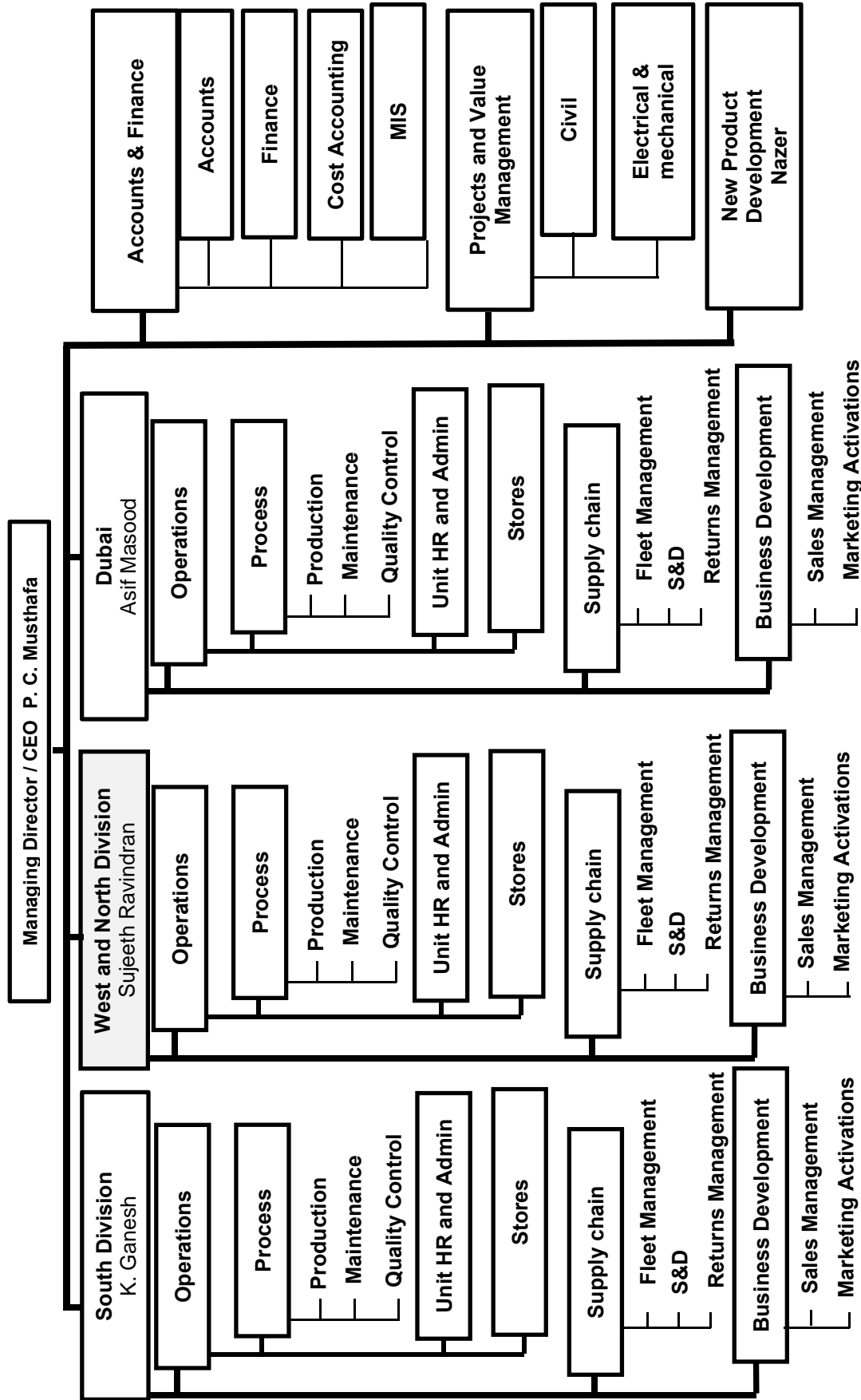
Musthafa explained:

When you are an entrepreneur-cum-employee, there will always be a conflict of roles and responsibilities. It was very important to understand and differentiate between the role of a promoter and the role of an employee. It was as if we were wearing two different hats and our challenge was to seamlessly switch hats based on what the situation at hand warranted. For instance, as a promoter, I might have a difference of view with Nazer but be willing to concede to Nazer because I know he is emotionally attached to the organization and its operations. However, as the managing director, I may have to take a call that would not go well with Nazer. If I wear the hat of an employee, I may not agree with Nazer, but as the head employee of the organization, it is my professional duty to find a way to reconcile and move forward. There are responsibilities associated with an employee's role in the organization. For instance, if Nazer shouted at me, as managing director, it is my responsibility to punish such behaviour and I should probably fire him. But I also know that the company is dear to Nazer. How would I address such a situation?

As a computer engineer from the National Institute of Technology, Calicut, with a postgraduate diploma in management from the Indian Institute of Management, Bangalore, one of the finest management schools in India, Musthafa believed that a planned way of achieving growth was the best way to go forward, and his co-founders and partners trusted him and his judgment fully.

ID Fresh had weathered many challenges and learned valuable lessons in its eight-year journey. While Musthafa was confident that the right strategy, combined with robust management processes and a sensitive people-focused culture was the best way forward, he needed to ensure that the entire ID Fresh team was on board as ID Fresh made the transition.

EXHIBIT 1: ORGANIZATION STRUCTURE OF ID FRESH



Note: CEO = chief executive officer; HR = human resources; MIS = management information services; S&D = sales and distribution
Source: Created by authors using information and data provided by ID Fresh.

EXHIBIT 2: PROFILES OF ID FRESH FOUNDERS AND PARTNERS

Abdul Nazer grew up in a village near Wayanad, Kerala, and left school after the 10th grade in 1992. With few employment opportunities in his village, Nazer decided to look for work in Bangalore, Karnataka. He worked as a salesman at a garment retail shop in Bangalore, and after three years, had gained sufficient expertise to handle the activities at the shop on his own. However, Nazer had a deep desire to start his own entrepreneurial venture, and with the help of his family, he started trading spices. He subsequently opened a retail shop near Thippasandra, Bangalore, and gradually brought his brothers to work there. During this period, Nazer, his brothers, Jafar and Shamsu, and his cousin, Musthafa, identified an opportunity to sell idly/dosa batter, parathas and other ready-to-eat and ready-to-cook products to retail shops in Bangalore. This idea developed into their business, ID Fresh. Nazer was the Director, New Products and New Markets.

Shamsudhen Thazhe Kandy (Shamsu) grew up in Wayanad, Kerala, and finished 10th grade in 1990. In 1992, after moving to Bangalore, he started working as a salesman at a retail shop. He subsequently moved back to Wayanad and worked as a vegetable trader. He later began trading in spices, banana, coffee, black pepper, etc., in partnership with his cousin Musthafa's father. After working in the spice trade for three years, he moved back to Bangalore to join Nazer at his retail shop. He was Director, Production at ID Fresh.

Jafar Thazhe Kandy left his hometown of Wayanad, Kerala, in 1989 after the 8th grade and moved to Kannur, Kerala, where he sold household items. Leveraging his good contacts with shopkeepers, he subsequently started a chit fund, where he sold household items on an installment basis. Four years later, Nazer asked him to come to Bangalore, where he found him employment as a helper at a friend's retail store. After working there for a year, Jafar was put in charge of a teashop Nazer had set up near his retail store. He subsequently joined Nazer and Shamsu at the retail shop. He was Director, Sales and Distribution.

P. C. Musthafa earned his B.E. in Computer Science from the National Institute of Technology (NIT) Calicut in 1995. During his information technology (IT) career, he worked with Motorola India, Citibank Dubai, Intel India, Misys and Fair Isaac. In 2004, while working as a program manager at Intel in Bangalore, Musthafa decided to pursue postgraduate studies in software enterprise management at the Indian Institute of Management, Bangalore. After earning his diploma, he quit his job (he was employed at Fair Isaac at the time) to fully focus on his venture, ID Fresh, co-founded with his cousins, Nazer, Shamsu and Jafar. He was the Managing Director at ID Fresh.

Sujeeth Ravindran joined ID Fresh in September 2013. Prior to that, he worked at Obopay Inc. as vice-president for Business Development for the Asia, Middle East and Africa markets. He had a bachelor's degree in Computer Science and Engineering from NIT Calicut and 18 years of work experience. He had held various front-line and management positions at companies such as PCL, Satyam Infoway and NCR Corporation, Teradata and Golden Gate. His focus was on expanding the brand into the Western and Northern Indian markets.

Venkata Rajesh Ayitam had earned his bachelor's degree in Electronics and Instrumentation Engineering from Anna University, Chennai, and had about 12 years' experience in the field of Networking and Server Automation. He had, in the past, architected solutions in IT and mentored teams of sizes ranging from 15 to 50 people at various organizations. Ayitam managed different domains such as manufacturing, marketing, accounting and fleet management for in Hyderabad (Andhra Pradesh).

Asif Masood had a bachelor's degree in Computer Science and Engineering from Karnataka University. He had more than 12 years of experience in the IT sector and had worked at Tesco and Tata Consulting Services before joining ID Fresh. Masood's focus was on expanding the brand in the Middle East market.

Source: Created by authors using information and data provided during interviews with the founders of ID Fresh.

EXHIBIT 3: MILESTONES IN THE ENTREPRENEURIAL JOURNEY OF ID FRESH

Mid 1990s: Trial sales of idly/dosa batter to 20 *kirana* stores; average of five kg per shop

2007: Production facility established at Hoskote with capacity of 6,000 kg

2010: Production facility capacity expanded to 10,000 kg

2011: Operations launched in Mangalore for paratha production and sales

2011: Operations begun in Chennai for paratha production and sales

2011: Operations started in Hyderabad and Mumbai

2011: Overseas operations launched in Sharjah and Ajman (both in the United Arab Emirates)

Source: Created by authors using information and data provided by ID Fresh.

EXHIBIT 4: SELECT FINANCIALS FOR ID FRESH, 2006–2012

In INR millions

Description	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07
Income	253.90	171.40	78.80	71.40	39.30	10.50	0.70
Purchases	134.50	85.80	61.90	51.00	27.90	8.00	0.30
Salary expenses	14.00	26.90	8.70	6.10	3.00	0.80	0.20
Electricity expenses	2.80	1.30	0.80	0.60	0.60	0.40	0.20
Depreciation	3.90	2.90	1.60	1.10	0.80	0.50	0.10
Loans	32.60	12.80	13.20	3.30	3.70	2.20	0.70
Sundry creditors	2.30	5.70	0.70	1.50	2.70	2.50	0.10
Fixed assets	21.70	22.10	11.40	6.40	5.10	4.20	1.00
Loans and advances	12.40	11.70	0.70	0.80	0.50	0.80	0.10

Source: Created by authors using information extracted from financial statements of ID Fresh.

EXHIBIT 5: ID FRESH PACKAGING

COOKS ABOUT
14
DOSAS

OR

ONE REALLY
BIG
DOSA

CRISPY DOSAS, EXACTLY THE WAY YOU LOVE IT.

You already know the secret to getting the batter just right for crispy, delicious dosas. Well it's hardly a secret, so we know it too. Just 100% natural ingredients and a whole lot of care to make sure nothing artificial slips into the grinders.

PURE

NATURAL OIL

Pack of
5

HATE GREASY RESTAURANT PAROTAS? THAT'S WHY YOU'LL LOVE OURS.

The next time your kids want to order parotas for take away, snip open a pack of ID Malabar Parotas and you can serve them even yummiier ones made at home, by you. Well congratulations. You just became their favourite.

100%
CORIANDER

SERVES ABOUT
5

TASTY CORIANDER CHUTNEY, SO LIKE HOW MOTHER MADE IT.

Try our authentic chettinad coriander chutney with hot idlies and dosas. You can whip one up with a traditional garnish and feel it melt into a memory from sometime ago. Now, who wouldn't like that?

Source: ID Fresh.