

It was 2010. Madura Fashion & Lifestyle, already the largest apparel retailer in the Indian market, had set itself a lofty mandate – to double revenues within the next three years. This was both a daunting task and an exciting opportunity for Anurag Srivastava, the Head of Strategy. Barely three months into the role, he had to proficiently manage seven independent brands, taken to customers through six different channels, across two hundred cities.

After all, Madura had demonstrated that it could multiply revenues fourfold in the span of a decade. Doubling on the quick at this juncture required serious scaling and speedy execution. Five thousand employees, spread across a thousand locations, worked to create Madura's customer experience. However, inadequate brand management by the front line was leading to problems of inconsistency across the multiple channels and locations. It became imperative for the company to effectively engage with its workforce over the vast geographical expanse.

According to a McKinsey report, the proportion of middle class households in India was expected to triple from 5% to over 15%. In lockstep fashion, the penetration of apparel in India's organized retail, which was less than 10%, was also expected to triple by 2015. Given the worldwide economic downturn, many global retailers were turning towards emerging markets like India to seek new business. The government was working to liberalize FDI (foreign direct investment) in the retail sector. This had led to resource constraints across the board. With the sector opening up to many players, the Indian customer had begun to expect much more from a retailer. The Strategy Head had to tread the fine line between supporting Madura's growing diversity and maintaining a consistent image with the customer.

Business heads wonder why we shouldn't be like our local competitors in a city, who normally operate a chain of 25 stores or less. The truth of the matter is, beyond this number, the complexity of managing the operations is not additive: it multiplies!

MADURA F & L

A division of the USD 4.5 billion conglomerate, Aditya Birla Nuvo Ltd, Madura F&L was one of India's fastest growing branded apparel companies, and also the top-ranked player. It carried three premium brands – Louis Philippe, Van Heusen and Allen Solly - and one mass brand, Peter England. In order to cater to the needs of the whole family, it had recently launched People. On the luxury end, it retailed international brands such as Armani, Hugo Boss, and Versace – all under a single roof – via The Collective stores.

By 2010, Madura was selling one item of branded apparel every two seconds through its retail and wholesale channels. Seven hundred EBOs or exclusive brand outlets constituted its retail channel, making up for a million square feet of store space and half of the revenues. The wholesale channel consisted of more than a thousand MBOs or multi-brand outlets, and a hundred departmental stores such as Shoppers Stop, Lifestyle, Pantaloons and Central. To tap into domestic demand, Madura was planning to open another two hundred stores. Madura had invested substantially in information systems. Indeed, it was the first ever apparel company to have successfully implemented the SAP ERP. However, its collection of stores was operationally diverse, and Madura wanted to give each brand a space of its own to operate within, and to compete with each other. Culturally, every brand had the liberty to innovate around its business processes and operate differently. In such an environment, functional heads had begun to demand the installation of point solutions to achieve their growth targets. Instead of yielding to the urgency of their requests and placing more pawns on the IT game board, the Strategy Head decided to take a holistic approach.