

AN ANIMAL HEALTH BUSINESS TAKES OFF WITH REVAMP OF MANAGERIAL & LEADERSHIP PROCESSES.



CONTEXT

ABC Corporation is one of the well-known brands in the field of **natural animal health** products based out of Bangalore. The Managing Director of the Firm, Satish Chopra approached us sometime in 2014 through a common friend. His needs were simply stated.

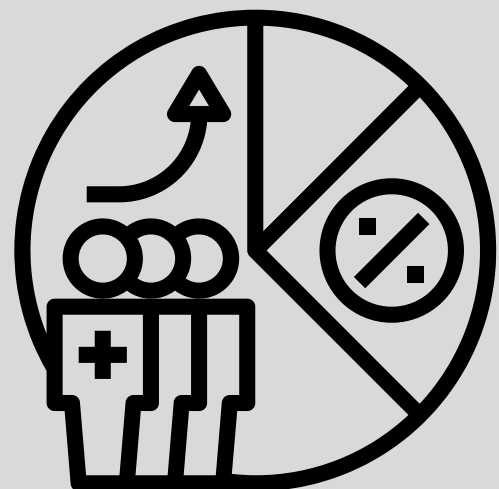
A 2nd generation entrepreneur. Had grown the company from INR 14 Crores to INR 100 crores in 10 years since he took control of the firm from his father. There was a small human health division largely supplying unbranded intermediaries to the food and cosmetic industry. Around 20% of the revenue was export. Literally hundreds of SKUs in domestic market. Cattle was big business, followed by poultry and a fledgling, virtually nonexistent domestic pet business. Margins were thin and EBITDA was narrow. Cash was a threat locked up in working capital and receivables from the poultry business. The team was loyal and committed and the Firm was run like a family.

“There was a huge market opportunity both in export and in the domestic market but the current “leadership processes & management system” were weak and did not enable rapid growth.

The structure and business model of the Firm was a typical FMCG model. Strong sales team with good penetration in the market. Efficient manufacturing and logistics, and a small, slightly expensive, capable but slightly directionless R&D. Very strong on values and hesitated to performance manage employees.

A bit **inward looking** and somewhat satisfied with their performance.

Strong on the science & knowledge of the business.





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TALENTONIC ENGAGEMENT

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1. We conducted an overall **culture audit** to both understand and explain the current culture and its strengths and opportunities and concluded that a more professional, leadership driven, “**achievement oriented**” culture was where they needed to transition.

2. We revised their **organization structure** and the roles in line with their growth ambition. Assisted them to structure Animal Health & Human Health as 2 SBUs. Combined all back end operations into a single “Product Supply Organization” Introduced a marketing and product management function, emphasized the importance of regulatory function particularly for opening global markets. Cut down R&D and structured it more as a product development function supporting sales.

3. Supported ABC Corporation in hiring talent. Bought in a **CHRO**, CFO, a PSO Head & a Head of Exports, strategic sourcing, and various roles at the L2 level to strengthen management bandwidth.

4. Reviewed **major business processes**. Monthly data-based leadership reviews. Strong role for the CFO in business review and in cost and cash control measures. Tollgate based product development to be better able to manage priorities and investments. For 6 months we moderated their monthly review meetings to get them into the momentum.

5. Restructured their **performance management system** with strong focus on KRA's linked to the business plan and periodic reviews. We introduced an EBITDA based annual incentive policy.

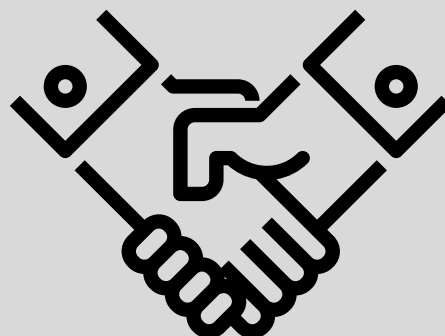
6. Introduced a **leadership competency** model based on their desired values and culture and incorporated that into the PMS for assessment.

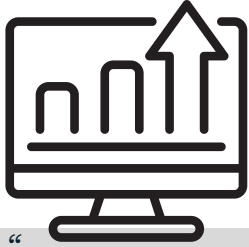
7. Restructured their **fixed compensation** policy and structure with overlapping compensation ranges and a CTC concept.

8. Conducted an assessment center for the L1 & L2. Created individual reports as well as a development strategy.

9. In the later period Talentonic worked with the internal HR & Finance Teams to design a long term “wealth creation plan” for senior management based on a 3 year EBITDA target. The first payout under the scheme has already been released in a previous year.

10. Our CEO & Founder joined the Firm's Supervisory Board and continues to guide the major HR and OD initiatives.





BUSINESS BENEFIT



Talentonic was part of the many changes and initiatives launched by ABC Corpn under the leadership of Atul Gupta apart from the 10 listed above. **Over a period of time a few business benefits have become evident.**

- The structure and leadership strategy has changed the role of Atul Gupta significantly. He runs an **empowered organization** with sufficient time for himself to focus on strategy and in strengthening the value pillars. And that has helped significantly in creating a firm which has **produced pretty powerful performances without compromising on its core values**. That's probably the biggest benefit that ABC Corpn has accumulated.
- Atul Gupta has become a friend and well wisher of Talentonic. That's the biggest benefit that Talentonic has accumulated.
- Along the way, ABC Corpn has **quadrupled its revenue and their EBITDA % has increased 5 fold**. In most years they have a negative interest cost.
- The team continues to be loyal & committed and strong. **Engagement levels are high and per employee sales has improved significantly.**



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