

POWERING FOR GROWTH



CONTEXT

West Bengal Feeds is a well-known brand in the field of animal feed. The Managing Director of the Firm, approached us sometime in 2016. The story was reasonably familiar. Second generation entrepreneur who was in the process of taking over the operations of the firm from his father who was still part of the business. Saurabh had his grounding in the business in the sales function and had an excellent grasp of the trade and the dealer net work. From a small town trader in Bihar, West Bengal Feeds had grown to become an INR 350 Crore Operation with over 500 dealers.

A major part of the business was poultry . Commoditized , competitive and price sensitive because of the nature of the trade and consumer. Very little entry barriers. Small operators mushrooming locally. Obviously very low margins. Anecdotal quality standards not necessarily based on science and data. To add to this, a lot of the sales was relationship based and not brand based. This was a serious performance issue. A few years ago West Bengal Feeds lost a few sales people and it took them almost 2 years to recover from the sales shock of that exit. Control over quality, particularly incoming quality was erratic. Risk taking was low and growth was almost entirely financed from internal accruals.

The strategy ahead was clear: build an INR 1000 crore business. Get into aqua (fish and shrimp) to enhance revenue growth and improve margins.

As you looked around, apart from the vision and enthusiasm of the MD and the trade relationships there were not many pillars of growth.

TALENTONIC ENGAGEMENT

Talentonic's engagement with West Bengal Feeds, while it spanned 3 years, had the following objective:

- **To conduct a comprehensive audit of the Firm and bring out an action plan around what all needed to be fixed.**
- **To assist in hiring leadership and creating the structure for growth.**
- **To provide coaching and mentoring support as the new MD and his team embarked on this transformation journey.**

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TALENTONIC ENGAGEMENT

ORGANISATION AUDIT

This 4 week audit which ended in December 2016 was quite comprehensive and uncovered the following.

- An absence of effective, on ground leadership in virtually all areas including HR, Quality, Finance, Marketing & Purchase. This not only created implementation issues but virtually all leadership driven processes were weak. Business Planning and review. People Management. Brand management. Cross-functional collaboration.
- HR Function did not exist in the most part. This showed up in all areas of HR policy. Recruitment, performance management, development, compensation structure, retention of talent, engagement, and even in compliance to basic legal requirements.
- The sales management system was not entirely scalable and run basis personal relationships. There was no understanding of brand, competition, sales management skills or sales leadership. No training imparted. No budgeting and target setting. The incentive plan needed a revamp.
- The Firm needed to move towards a stronger 'performance management' culture, where employees were held accountable. In terms of performance or in terms of behaviour there was little accountability and a deference towards a group of old loyal employees allowing them virtually complete freedom. They almost negotiated their performance and their rewards.
- The BEI assessment of the then leadership showed serious gaps in professionalism and the skills required.

- The structure was not quite geared for growth. 35 people directly reporting to the MD. Sales only had individual contributors. No one had a role / KRA for financial results. The new MD's bias was managing sales through a network of individual contributors and other functions were really not important or developed in terms of roles or talent.

LEADERSHIP STRUCTURE & HIRING

- The first step was to hire a Head HR who was young, enthusiastic and professionally competent. We hired Ajith Doval who met the requirement and over the years was able to put the Human Resource performance into a sound professional discipline. Ajith's first contribution was to create credibility into the recruitment process which was sorely lacking. Quality of sourcing, policy around recruitment and induction. He built a team, and created a relationship with the new and old leadership and rapidly became a "go to" person in the system. Ajith became the pivot around which most new initiatives were run.
- Working alongwith Ajith, we helped to hire the rest of the leadership. The CFO, The head of Procurement, the head of Marketing, the Head of Quality and the Business Head for the Aqua business. As the leadership came into shape, the strategic initiatives got pace. Human Resource became a differentiator in the industry. West Bengal Feeds created a product brand which has gradually penetrated the market and become a differentiator. Financial reporting improved as did data based decision making within the firm. Some amount of business planning got introduced.

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COACHING & MENTORING

A lot of Talentonic's focus was on coaching and mentoring both the new MD and Ajith (HR) as, on the ground, they navigated the change process. "Project Disha" was conceptualized by Talentonic and executed by both of them. It involved multiple steps:

- Finalizing the vision of the firm using the hedgehog concept and facilitating involvement of every individual in the leadership.
- Finalizing the code of conduct for the Firm with a sign off from each leader.
- Conceptualizing 9 business benefit projects which included (1) Direct consumer connect (2) Channel expansion, (3) Sales team energization. (4) E-Commerce channel. (5) Consistent quality (6) Technical support. (7) Disruptive product technology. (8) Trades items business (9) Branding.

While project Disha was initiated in 2020, obviously different projects have made differing levels of progress, but overall created both direction as well as leadership energy

Other areas of coaching included performance management of leadership, finalising and sign off on KRAs & HR Policy.

BUSINESS BENEFIT

West Bengal Feeds is definitely a different firm today, and we believe that the primary objective of the new MD to **prep for growth** has been achieved.

- There is a reasonably strong leadership team in place, and the vision of the Firm appears that much easier to achieve.
- There has truly been a transformation as far as employee engagement and fundamental processes are concerned.
- The aqua division is installed and the overall revenue of the firm is touching INR 700 crores. with a much stronger ebitda.
- In areas such as quality, e-commerce and market development there are sensible projects in place and a managerial bandwidth to achieve them.

Deepak Dhawan
CEO & Founder
Talentonic HR Solutions
deepakdhawan@talentonic.com

