

A man and a woman in professional attire are walking in a city. The man is wearing a light blue shirt, a dark tie, and a dark jacket with stripes on the sleeves. The woman is wearing a dark top. They are both smiling and looking at each other. The background is a cityscape with tall buildings. A dark horizontal band is overlaid across the middle of the image, containing white and red text.

# How Arvind Fashion & Lifestyle Enabled their Sales Managers to **Drive “Unlimited” Store Profitability**

An enParadigm™ Client Story

## Business Context

**Arvind Lifestyle Brands** is the subsidiary of the textiles major Arvind Ltd. Besides having their own brands such as Flying Machine and Excalibur, Arvind Lifestyle partners with nearly two dozen international fashion brands, including US Polo, Cherokee, Gap, Elle and Ed Hardy, in India.


Post 2012, Arvind had repositioned its retail chain Megamart from being a discount player to being a value player. This was due to 3 main reasons - the imposition of excise duty on maximum retail price in the 2011 budget, the general economic slowdown, and increasing competition in the discount space from e-commerce companies. A couple of years down the line, customers still perceived Megamart as a discount player, and Arvind decided to rebrand some of the larger Megamart stores to Unlimited - offering full price merchandise with premium brands like Polo and Arrow. They also included in-fashion women and kids wear into the portfolio.


Megamart CEO **C S Shekhar**, Operations Head **Prakash Thawani**, Arvind Brands L&D Head **Padmavathi Bharadwaj** and Megamart Head HR **Joseph Lotus** wanted their area / regional managers to adapt to the new way of doing business.

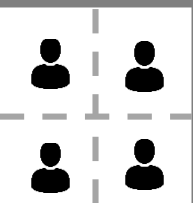
Using our **REI methodology**, enParadigm designed a business intervention to help drive the change.




## Challenges Identified

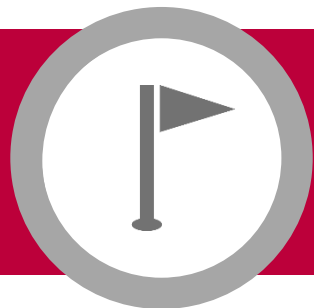
- 1 UNDERSTANDING CUSTOMERS**  


With the change in positioning from discounts to value, **the sales team needed to understand the needs of value-seeking customers** in their respective geographies and provide compelling in-store experiences.
- 2 STOCKING RIGHT MERCHANDISE**  






With the addition of women and kids wear segments, **they needed to forecast and stock a larger variety of SKUs**, while having a tight grip on inventory.
- 3 BREAKING FUNCTIONAL SILOS**  


With increase in complexity of operations, **they needed to coordinate better with other functions** such as marketing, supply chain, IT, finance etc.
- 4 DRIVING FINANCIAL IMPACT**  


**Regional Managers needed to become mini-CEOs** and achieve target EBIDTA for their respective geographies.



## Intervention Objectives

- 1** **CUSTOMER CENTRICITY**  Understand the needs of different customer segments, and **provide the best value proposition for chosen customer segments.**
- 2** **HOLISTIC UNDERSTANDING OF BUSINESS**  Run a business in its entirety and **get a top level view.**
- 3** **CROSS FUNCTIONAL UNDERSTANDING**  **Step into the shoes of different functional heads, take decisions** for each function and understand the inter-linkages between functions.
- 4** **FINANCIAL ACUMEN**  **Understand each component of the P&L,** and get clarity on how different decisions and actions impact **revenue, gross margins and EBIDTA.**

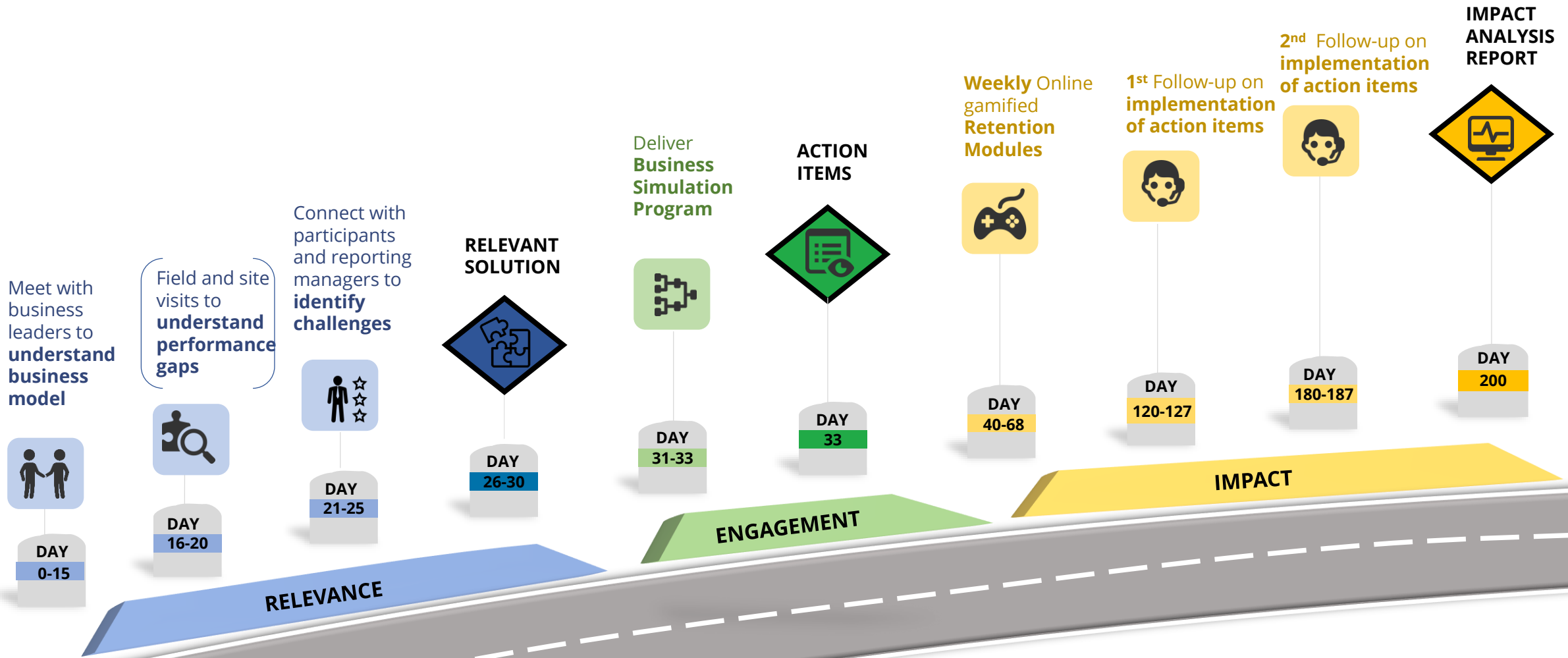


# Planning And Execution Of Intervention



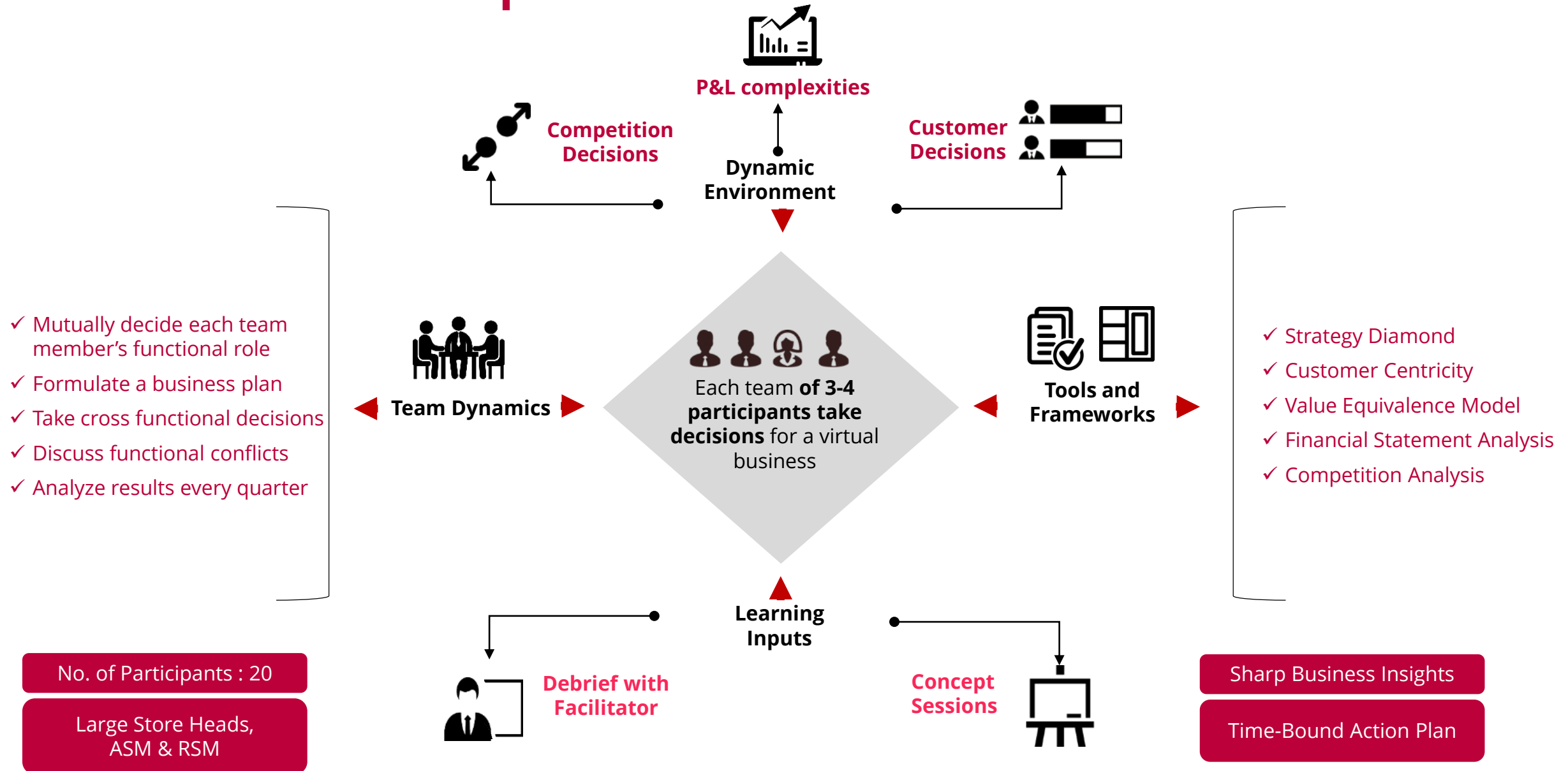
# 6 Month Intervention

# REI™ Road Map





# The Simulation Experience





## Action Items Committed

## Sudeep Kumar P K

Regional Manager  
( Karnataka)



### Key Takeaways:

- *Cross functional decision is critical for making the business profitable*
- *One needs to focus on our unique strength and drive business rather than deviating*
- *One needs to understand competition and markets for right forecasting*



### Action Items:

- *Work towards organization goals and be in line with the decisions for maintaining the bottom line*
- *Focus on our key customer segment and work around retaining and improving the number of customers*
- *Work around deeper understanding of competition*

## Jeyaraman G

Area Sales  
Manager



### Key Takeaways:

- *Enhanced Decision Making Skills*
- *Analyzing & preparing balance sheet and P&L statement*
- *How to drive business in a positive way for maximum profit*



### Action Items:

- *Going forward, I plan to apply learning to drive the business in an effective manner and achieve positive EBITDA*
- *With accurate forecasting and quarterly analysis of P&L, I want to take necessary actions to drive growth in profitability for each quarter.*
- *Align cross functionally to manage all parameters to reduce the expenses at various levels*

**Daniel M Athisayaraj**

**Area Sales  
Manager**



### Key Takeaways:

- *How to plan all activities with a balance of results for both long term and short term.*
- *Learning from the hits and misses consistently*
- *Understanding competition and customer perspectives, and creating uniqueness to our offerings*
- *Working cross functionally with a single goal or business objective .*



### Action Items:

- *I want to induce the change in my team as well - to work cross functionally.*
- *Give adequate support across departments to ensure my stores are able to deliver on the set targets and customer satisfaction*
- *Know competition and take adequate customer feedback to understand their perspective of our unlimited stores and ensure to deliver on our uniqueness (USP)*

**Prasad Bhawe**

**Regional Head  
(West)**



### Key Takeaways:

- *All functions should have a synergy in their approach which would be defined by company vision/mission.*
- *Avoid temptation to change the market strategy based on short term results. Long term planning/ vision is important*
- *Review the past performance & make correction in future course of action ,in line with long term planning*



### Action Items:

- *I will start tracking the competitor on various parameters I have learnt*
- *Get into detailed P&L of the stores and start working on how each store can be made more profitable*
- *Develop a long term tactic for each of my stores based on competition/ target customers in the arena*



**Business impact to be measured in Jul 2016**

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Business Acumen  
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functional managers

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