

ENTERPRISE
EARNING TRUST
VIVEK PVT LTD



“Viveks - More trusted than the brands it sells”

Mc Kinsey & Co., the globally renowned consulting firm thus described Viveks in a CII-sponsored study of the Indian retail industry.

It is very rare for a retail business to earn such goodwill. And for a retail chain of over 42 stores, it is infinitely more difficult. But that's exactly what Viveks has done – not just now, but consistently over the last 52 years since its founding. Headquartered in Chennai, Vivek Private Limited (Popularly known as “Viveks”) is a chain of 42 stores spread across Tamil Nadu, Pondicherry and Karnataka, retailing consumer durables and electronics and grossing a turnover of over Rs. 600 crores.

ORIGINS

In early 1960s, B.A. Lakshminarayana Setty, a young man hailing from a traditional Vysya family in Kolar Gold Fields, the country's only gold mining town in south eastern Karnataka, went to Bangalore (as Bengaluru was then known) to pursue under-graduate studies in Electronics at BMS Engineering College. In Bangalore, he stayed at the Ramakrishna Students Home. Inspired by Swami Vivekananda, this young man at one time, wanted to quit studies and join the Ramakrishna Mission to serve the country. Advised by elders and well-wishers, he reluctantly dropped the idea in favour of studies.

Soon after graduation with the blessing of his parents –Shri B L Aswathanarayana Setty and Smt B A Vasanthalakshmi, who brought their children with the high values of Hardwork, Honesty, Simplicity, Belief in God, , he came to Madras (as Chennai was then known) to look for a job. First, he worked in a firm which was manufacturing electrical accessories. Next he worked with another firm which was distributing ‘Cool Home’ fans. To save every hardearned rupee, he stayed in a place which just provided him a good night's sleep more than anything else.

On 3rd May, 1965, he opened ‘Vivek & Co – Electrical Engineers and Decorators’, a 200 sft shop selling small electrical appliances, folding chairs & tables, on the first floor of a building in Mylapore, very close to Sanskrit College. The building still exists and houses among others, a poster artist who also started his journey at the same time. Soon, he was joined in the business by his eldest brother B.A. Kodandarama Setty.

Inspired by Swami Vivekananda's teachings, Lakshminarayana Setty named the business, “Vivek & Co” with a vision of “offering the best products to people on the most affordable terms, rendering uncompromising customer care, offering employment to the deserving and the needy”.

The first year's turnover was Rs. 1,02,000/. More products like Murphy Radio and Bush Radio were added to the product list. With the aim of making their products affordable to everyone, Vivek & Co started selling products on daily instalment plans. Sadly, fate intervened and Lakshminarayana Setty passed away on 28th December, 1968, after a brief illness. It fell upon B.A. Kodandaraman to take up the responsibility of running Vivek & Co. Being the eldest of five brothers and four sisters, Kodandaraman studied only up to school and had to discontinue studies to help their father in the family's rice business. In his family he had the least education, however he says “I know the value of education since I don't have it”. The proprietorship business was converted into a partnership firm with the four brothers and their father becoming partners.

Growth and Foundation for Rapid Growth B.A. Kodandaraman took over the reins of the business after his brother's untimely demise. His younger brother B.A. Chandrashekar joined the business in 1969. Later on, another brother B.A.Srinivasa also joined in the business after completing BE (Electronics) at Bangalore. Led by the dynamic Kodandaraman



the team started building the business literally brick-by-brick. Spurred by the success of the Mylapore showroom, the brothers in 1968, opened another showroom at Purasaiwalkam. From an annual turnover of Rs. 1.65 lakhs, Kodandaraman, along with his brothers, took the business' turnover to Rs. 28 crores by 1980. The partners travelled all over the World studying the retail industry and best practices that can be adopted at Vivek & Co. Along the way, the company increased its product range to include almost every consumer durable. On the 1st of January, 1977, Viveks introduced the New Year Sale. The Viveks New Year Sale is something of a phenomenon in Chennai. For many years, around 10 PM on 31st December, a crowd of eager shoppers will start assembling at Viveks showrooms and in far greater nos in the wee hours of 1st Jan. The reason – as the stores open its shutters, customers rush inside to get the best deals possibly of the year. Sale on this one day far exceeds several months' normal sales. Similar practices now abound across the retail industry and also in the

E-Commerce space. However, even today, Viveks is the leader in the New Year Sale. In 1974, on the suggestion and insistence of T. Sivanandham, a good friend, Viveks participated in an auction and bought a 4-ground corner plot on North Usman road. Here, Kodandaraman wanted to build a truly world-class showroom for consumer durables. So, he took the interior decorator of the proposed building on a tour of Singapore and Japan to understand and absorb the best of practices and ideas from advanced retailing nations. In 1980, the four-storied T Nagar showroom opened to rave reviews and was a trend setter in retailing.

LEADERSHIP

Since its founding, Viveks has been led by people with far-sighted vision. While Lakshminarayana Setty founded the business with a simple yet powerful vision of ‘reasonable prices, high quality products and services & employment to the needy, Kodandaraman, set his sights higher. Being the eldest of nine siblings, it fell upon



his shoulders to build not only the business but also to guide the large family along. He got his sisters married and settled, took his father, along with a doctor, to the US for treatment. A simple man, he lived in rented house for a long time even though Viveks, as a business owned three large showrooms in Chennai. His philosophy is to place himself the least and lowest. His advice "If you are simple, life is less complicated for yourself and others".

A voracious reader, Kodandaraman, devoured thoughts, experiences and wisdom of great men and women and internalised them for implementation in the Viveks style of functioning. He has travelled widely and continues to travel even today at the age of 78, to see for himself, the latest in trends, practices and products. He has studied how retail chains the world over operate. Kodandaraman's philosophy was to treat everyone as a stake-holder and ensure that he/she is happy. Accordingly, customers, employees, principals, bankers and the family were treated with great respect

and as partners in the business. Another set of stake-holders that he found so critical that he personally handles relationship with even today, are the landlords of the various showrooms. 'Retail is all about location' he says echoing the experiences of retail giants like Walmart and McDonalds.

EXPLOSIVE GROWTH

Up until 1993, Viveks was apparently only a 3-showroom business. But what was not apparent from the outside, was the steady build-up on a solid foundation of ethical practices, high-quality products, superior service and phenomenal customer loyalty. The business was now ready for its next phase. In 1995 it came out with a bold half-page recruitment Ad that said "In 30 years we set up 3 large showrooms, we are now looking for a team that can set up the next 30 showrooms in 3 years". Viveks unveiled its strategy of 'The Unlimited Shop' which meant more space, more products, more brands and models, more service and more attractive promotions.

Over the next four years, Viveks went on an explosive growth path. It added showrooms through expansion and acquisitions.

Along the way, Vivek Hire Purchase Ltd, an NBFC was formed to provide hire purchase and instalment plans to Viveks' customers. The group later on sold the company to AIG, a global financial services leader and exited the financing business to focus on its core retail business. From a partnership structure Viveks converted itself into a company to enable growth.

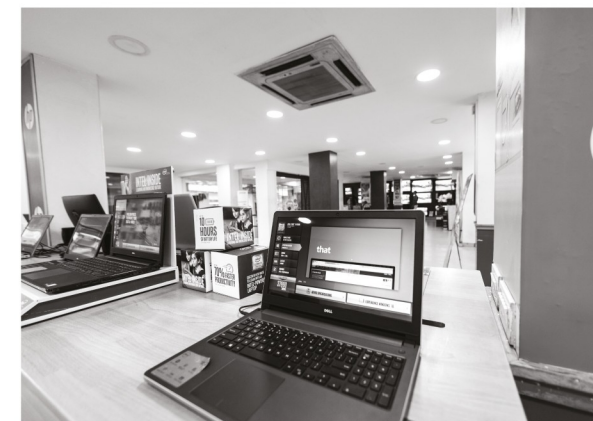
In order to expand services to its loyal customers, Viveks in 1993, introduced "Viveks Lockers", a high safety vault room in Mylapore that houses more than 800 lockers and provides safe storages facility. Kodandaraman proudly declares, "today in Chennai if you go into any street and ask 100 houses, 50 of them will say they are Vivek customers".

AWARDS

Reflecting its dominant position in the consumer durable retailing industry, Viveks has won and continues to win awards from multinational giants like Hitachi, Intel, Samsung, LG, General, Panasonic, Canon, Sony, Philips, Haier, etc and from Indian brands including Godrej, Voltas, and Preethi. As a tribute to its outstanding customer relations, employee relations and ethical practices, Viveks has been recognised and conferred upon with awards and accolades from industry bodies and institutions like CII, Indo-American Chamber of Commerce, Times Group, Rotary International, etc. Kodandaraman says they share the best of business relationships with all leading banks and brands.

THE FEATHER IN THE CAP

There is one incident that perhaps sums up all of what Viveks stands for – A few years back, a baby boy was born into a middle class family in Chennai. Close relatives had gathered around the baby for the naming ceremony, but consensus was eluding



them on the name for the baby. The grand-mother looked around in exasperation and was suddenly struck by a reality – every one of the appliances she saw at home, the mixer, grinder, TV, washing machine, toaster, iron, music system – all of them were from Viveks. Thus, the family's unanimous choice of name for the baby – Vivek.

JOURNEY CONTINUES....

Today, Viveks has over 2 lakh sqft spread over 42 showrooms across Tamil Nadu, Pondicherry and Karnataka and grossing a turnover of over Rs. 600 crores. The second generation at the Viveks founding family has been groomed; most of them having gone abroad for their masters. They have returned and have taken up vantage positions in the group across key strategic and new initiatives like Home Serve, E-Commerce, Food retail and brand building. While Kodandaraman prepares to pass on the baton, the group is quietly readying itself for yet another major push in retailing that will take it to newer geographies and create millions of more loyal customers. For bringing delight and earning the loyalty of millions of customers; for providing employment to thousands of Chennaites for more than 5 decades, Viveks is truly a Champion of Chennai.

K Kalyanasundaram