

BRITANNIA INDUSTRIES

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CORPORATE BROCHURE



Fortune COOKIES

Britannia Industries started as a Calcutta biscuit manufacturer in 1892. Managing director Vinita Bali tells John O'Hanlon about the responsibilities of a food manufacturer in India today

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ince Vinita Bali took over, Britannia has delivered its highest ever growth rate and been rated as India’s favourite food brand reaching more than 50 per cent of Indian homes.” Expected words, perhaps, from a growing manufacturer in the business of fast moving snack foods, but on this occasion they were spoken by President Bill Clinton, who invited Britannia’s managing director to address the closing plenary at the annual meeting of the Clinton Global Initiative (CGI) in 2009. Established in 2005, the year before Bali took up the reins of the listed Indian food group, CGI convenes global leaders to devise and implement innovative solutions to the world’s most pressing challenges. It gathers government officials, business leaders, and nonprofit directors from all over the world, creating opportunities for them to collaborate, share ideas, forge partnerships that enhance their work, and undertake commitments to action.

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Britannia’s commitment to action in 2007 was to impact five million Indian children in an attempt to tackle malnutrition. “I suspect this was rather a modest ambition,” Bali says, referring to the sheer size of the problem. India has 100 million children under five, and of these 47 per cent are malnourished, the largest single deficiency being of iron. Sixty per cent of school-age children in India are estimated to suffer from anaemia.

However, Britannia has a remarkable degree of market penetration, with half the nation’s households purchasing at least one Britannia product every month. “We partnered with the Global Alliance for Improved Nutrition in Geneva to develop biscuits that tasted good and were also carriers of micronutrients,” Bali explains. “And we partnered with an NGO in the southern part of the country to make these fortified biscuits available to 150,000 schoolchildren every day.” The pilot was validated, and now 10 million packs of Britannia fortified biscuits and bread are sold across India every day.



CLINTON GLOBAL INITIATIVE



Bali is a businesswoman through and through, having worked her way up through the ranks of Coca-Cola and Cadbury. Since joining Britannia, she has proved that ethical business can be profitable business. Under her leadership the company has enjoyed the fastest growth rate in its history and compound annual growth has been better than 20 per cent. “The company is more than twice the size it was; we have a presence in more markets; and we sell a richer and more diverse portfolio of products and snacks. During this time we have doubled our dairy business and quadrupled some of our nascent businesses—bread for example. We have pioneered new segments, the most recent being the launch of diabetic friendly cookies.”

It was in 2002 that Britannia diversified into dairy foods by forming a joint venture with the world’s second largest dairy company Fonterra, buying out Fonterra’s interest in 2009. In 2007 it entered the bakery retailing market, an extension of its core biscuit ranges, Bali says, by taking a controlling share in Bangalore-based Daily Bread. In 2009 Daily Bread became a wholly-owned company within the group. “Our goal is a simple one: to sell more of our brands to more people in more places more times! We are in the food business, and the challenge is, how do we take our portfolio and make it relevant and meaningful to a large cross section of the Indian population?”

Her vision is to accompany the typical Indian consumer through their day. “Most people consume cereal and cereal-based products, and then milk and milk-based products at different times during the day. As a company we have a strong portfolio in both sectors.” That is simple diversification; what is different is the increasing introduction of functionality into the product ranges, she says. “We have just launched a whole range of breakfast foods under the Britannia Healthy Start



only in manufacturing but in other processes in the company and our supply chain. At any one time there are several hundred projects to improve process parameters, output ratios or effectiveness in the marketplace. You have to have those programmes, otherwise it is tough to compete in a market where margins are not that high.”

Britannia exports five per cent of its products to 35 countries; manufactures and distributes its brands in the Middle East and Sri Lanka; and is so dominant in India that it could now be said that its health is directly linked to the health of the nation. Bill Clinton clearly thinks so: just three companies are chosen to present at CGI out of 1,500 contenders. “It was quite some recognition of our work,” Bali admits. www.britannia.co.in

Huhtamaki-PPL

Huhtamaki-PPL is India’s leading manufacturer of primary consumer packaging and labelling materials. Huhtamaki Group has operations across 35 countries with revenues of US\$3.2 billion.

Huhtamaki-PPL has been in the complex world of designing and producing packaging solutions for over 75 years. It is perhaps this experience that places Huhtamaki-PPL in a unique position to understand customer needs and design optimum packaging solutions. Huhtamaki-PPL is a true one-stop-shop offering innovations across flexibles, specialized pouches, labelling, specialized cartons, packaging machines, laminated webs, holographic options and premiums & promotions.

umbrella. If I look at it from the point of view of the Indian consumer, typically they wake up in the morning and have that essential first cup of tea with a Britannia Marie or arrowroot biscuit perhaps. At breakfast they have a choice of Britannia bread, cheese, butter, milk and, with the recent launch of Britannia Healthy Start, breakfast foods like multigrain porridge or traditional Indian cereals like upma or poha.”

The need for healthy foods is clear; and demand is growing rapidly. “I think health is a big trend and we are well positioned to jump on to that opportunity. We have taken some concrete actions to drive that position forward. For example we are the only biscuit company in India to have removed trans fats from all our formulations and recipes.” The CGI commitment was a step further. “Fifty per cent by volume of everything we sell is now fortified

with micronutrients. Both these ranges and the more ‘indulgent’ foods like chocolate biscuits and filled snacks are growing at a double digit rate,” she adds.

Britannia is forging partnerships with the UN’s World Food Programme, for which it manufactures special products, and GAIN, the Global Alliance for Improved Nutrition because being a food megabrand in India carries with it awesome corporate social responsibilities. Innovative thinking has been applied here, too. “We challenged our business to come up with profit improvement programmes every year that would finance the incremental cost of the micronutrients we add so that the consumer would not have to pay anything extra.” That is good for the consumer, good for the children, and good for the company too.

Business excellence is pursued through a number of ongoing programmes, says Bali. “Each year we set rigorous targets on efficiency and effectiveness. We operate programmes like TQM and kaizen, not

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