



100 years.
1 mission.
India First.

Our business create 5 million sustainable livelihoods



FMCG



Hotels



Paperboards & Packaging



Agri Business



Information Technology

Presenters

PALLAVI CHANDWASKAR

SNA FAROOQI

SMITA JAPE

JYOTSNA GOLHAR- REGRET

SUMAN MATHUR

Group B

Presenting in reference to ITC company



DELIVERABLES

a

- Principles of management as practiced by ITC

b

- Strategies adopted by ITC in different functional areas

c

- Strategic approaches and solutions to the issues in ITC

d

- Unique aspect of management, practiced by ITC

Reference -Given HUL vs ITC Handout by Organising Team



Principles of management practiced

UNITY OF DIRECTION

ITC's
Vision

ITC's
Mission

CENTRALIZATION

Central
Agency
Reporting
System
(CARS)

INITIATIVE

e-choupal
3.0 SCM

Green
technology

Windchill

EHS

SUBORDINATION OF INDIVIDUAL INTERESTS TO THE GENERAL INTERESTS

Freedom of
association
-high
employee
involvement

DISCIPLINE

Good
corporate
citizenship
and
exemplary
personal
conduct.

ESPIRIT DE CORPS

Trusteeship

Gender
friendly
environment

Women
empowerment



Strategies adopted in different functional areas



Marketing



HR



Finance



Operations



IT





Marketing

GROWTH STRATEGIES

DIVERSIFICATION

- FMCG, Hotels, Paperboard and Specialty papers, Packaging, Agri-business, IT

FORWARDINTEGRATION

- A gri-business, Agri-commodities to Food processing

HORIZONTAL INTEGRATION/ VERTICAL INTEGRATION

- The acquisition of Technico, an Australian company with technology leadership in the production of early generation seed potatoes, helped the business access a ready pipeline of new high-yielding varieties of chipstock potato seeds.

PORTER'S GENERIC STRATEGIES

DIFFERENTIATION

- Dark Fantasy choco Fills, Organic Fruits, speciality papers

COST LEADERSHIP

- Through backward integration in Agribusiness, acquisitions of paper mfg. firms

MARKET SEGMENTATION

- Fiamma Di Wills, launch of its second edition of the signature series of the Couture Spa Range of Gel Bathing Bars for premium segment.
- Superia and Vivel are brands for middle class



Marketing

ANSOFF'S GROWTH STRATEGIES

PRODUCT DEVELOPMENT:

- Brand 'Kitchens of India'- Ready to eat meals

MARKET PENETRATION:

- FMCG distribution push through 10 lakh panwallahs

MARKET DEVELOPMENT

- Selling Agri-commodities to foreign players in food processing industry like US based Cargill, or Marubeni, and Germany-based firm Toepfer.

PRODUCT MIX STRATEGIES

MULTI-BRANDING

- Sunfeast, Aashirwaad, Kitchens of India, Candyman, Bingo, Dark Fantasy, Wills Lifestyle, John Players, [Essenza Di Wills](#), [Fiama Di Wills](#), [Vivel](#), [Superia](#), [Engage](#), Classmate, Papercraft, Colour Crew, Mangaldeep and Aim

BRAND EXTENSION

- Aashirwad salt after Aashirwad aata
- Sunfeast biscuits, Sunfeast Yippee noodles

PRODUCT LINE EXTENSION

- Aashirwad aata regular, Multigrains, Select, Fiama Di Wills shower gel apart from soaps

INCREASE PRODUCT MIX WIDTH

- The 'Engage' range of deodorants, launched in 2 differentiated variants each for men and women during the quarter.



Marketing

MARKET DOMINANCE BASIS

Market Leadership Strategy

ITC's Aashirwad aata has a leadership position and has forced Unilever to slow down its Annapurna brand

ITC's Paperboards and Specialty Papers business enjoys market leadership in the value-added paperboards segment, It is the largest exporter of coated boards from India.

ITC is the leading Indian exporter of Organic Fruit Products certified to European (EC 2092/91) and US (NOP) Standards.

RURAL MARKETING STRATEGY

Agri Commodity business

- Feed Ingredients like Soyameal, Wheat, marine products, Coffee

e-Choupal

- 6500 installations covering nearly 40,000 villages and serving over 4 million farmers, 10 states

Choupal Pradarshan Khet

- 70,000 hectares and has a multiplier impact and reaches out to 1.6 million farmers.

Choupal Sagar

- unique rural hypermarket that offers multiple services under one roof

GREEN MARKETING STRATEGIES

ITC Hotels the greenest luxury hotel chain in the world with all its ten premium luxury hotels LEED (Leadership in Energy and Environmental Design) Platinum certified.



HR

Dealing with people in organization

No discrimination at the workplace

Prohibiting Child labour & preventing forced labour at workplace

Recruitment & Selection: KITES and AUT

Freedom of Association

Compensation

Talent Management Strategy and Talent Engagement Strategy



FINANCE

Consistency of Performance



- ➔ Consistent performance over 17 year, 10 year, 5 year and 3 year horizons
 - In terms of Revenue, Profits, TSR Vs. Sensex

CAGR	95-96 to 12-13 17 years	02-03 to 12-13 10 years	07-08 to 12-13 5 years	09-10 to 12-13 3 years
GTO	13.2%	14.3%	14.5%	16.9%
PAT	21.8%	18.4%	18.9%	22.2%
TSR	26.4%	33.9%	26.7%	35.0%
Sensex	10.7%	20.0%	3.8%	2.4%

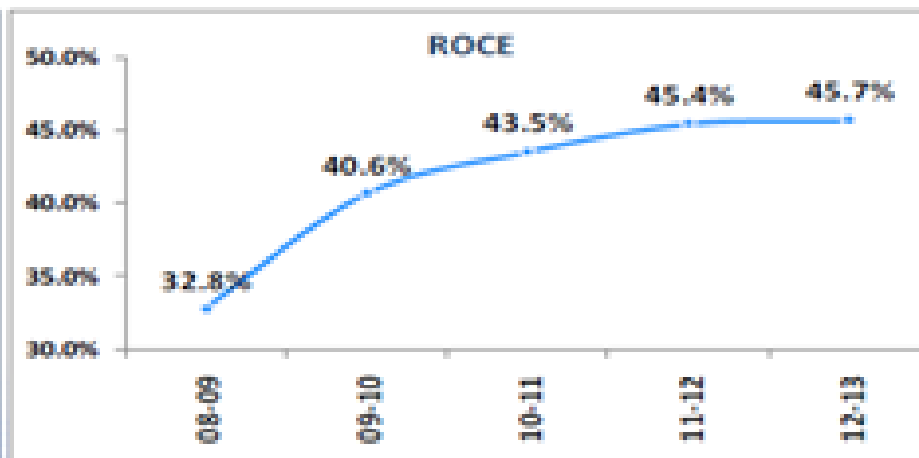
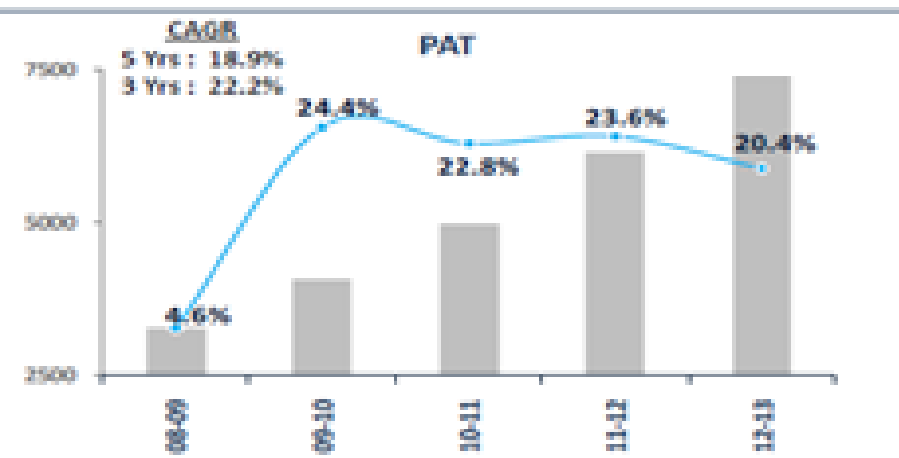
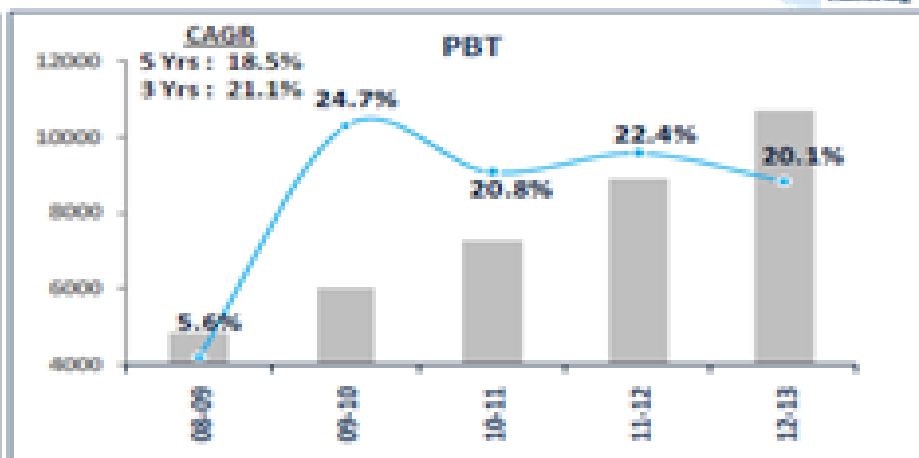
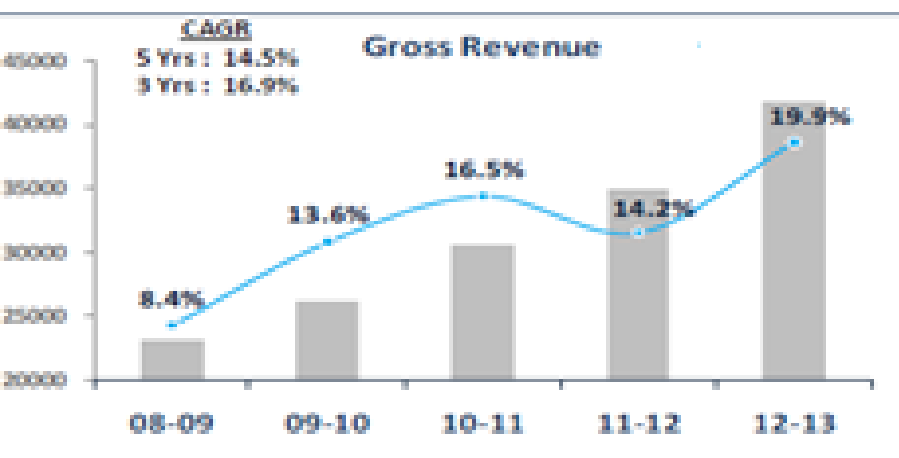
TSR and Sensex returns are based on Mar-end of each FY

- ➔ Rate of growth has accelerated further in the last three years



FINANCE

Performance Trends

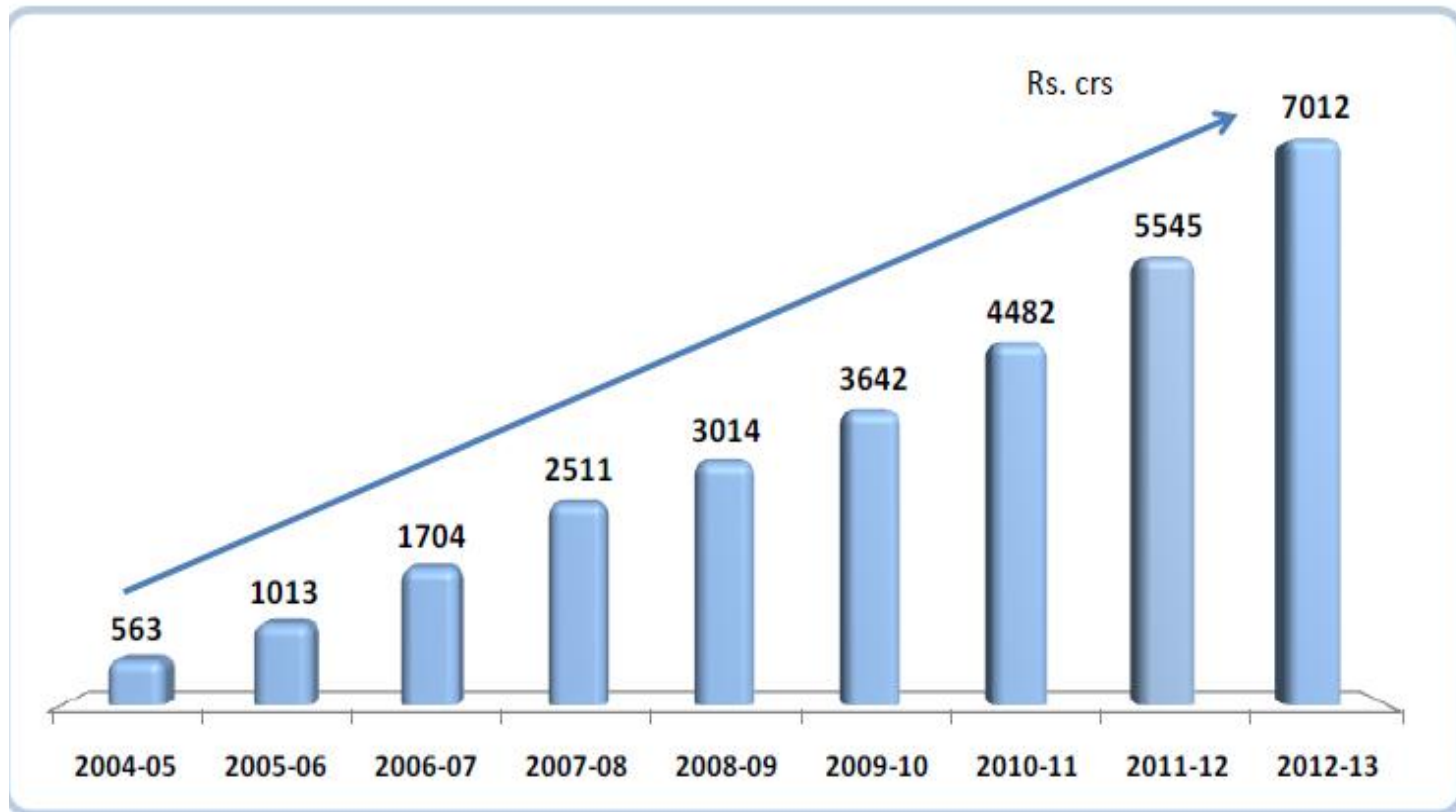




FINANCE

Creating world-class brands for Indian Consumers

Rapid Scale up of FMCG businesses...





FINANCE – M & A

Hotels



In 1975, acquisition of a hotel in Chennai----- 'ITC-Welcome group **Hotel Chola**' (now renamed My Fortune, Chennai)

Agri Business



High levels of foreign exchange, net earner of Foreign Exchange. In the last decade, ITC group's foreign exchange earnings exceeded US\$ 5.4 billion.

Matches



Acquired the West Indian Match Company (WIMCO), the Indian subsidiary of Swedish Match AB, which was the largest mechanised manufacturer of match boxes in India with a market share of 13%



Synergies, TTD was merged with the Bhadrachalam Paperboards Division to form the Paperboards & Specialty Papers Division in November 2002.



The acquisition of Technico, an Australian company with technology leadership in the production of early generation seed potatoes, helped the business access a ready pipeline of new high-yielding varieties of chipstock potato seeds.



FINANCE -Alliances & Expansion

Hotels



international expansion, 1985: Nepal Subsidiary – Started Surya Tobacco company as Indo Nepal & British J/V First Steps beyond National Borders, Luxury hotels in Sri Lanka, tie up with R P Group hotels to manage 5-Hotels in Dubai.



Development of a Backward Area –Sarapaka development- economically backward area in AP.

Agri Business



Bhadrachalam Paperboards amalgamated with the Company (Division of the Company, Bhadrachalam Paperboards Division.



Acquired 14.98% in oberoi group of hotels, 12.88% stake in Hotel Leela Venture



1990: Paperboards & Specialty Papers - Consolidation and Expansion

The merged entity was named the Tribeni Tissues Division (TTD). In year 2000 – ITC Spunoff subsidiary ITC Infotech.

Paperboards, Paper & Packaging



In November 2002, this division merged with the Company's Tribeni Tissues Division to form the Paperboards & Specialty Papers Division. synergies, TTD was merged with the Bhadrachalam Paperboards Division to form the Paperboards & Specialty Papers Division.



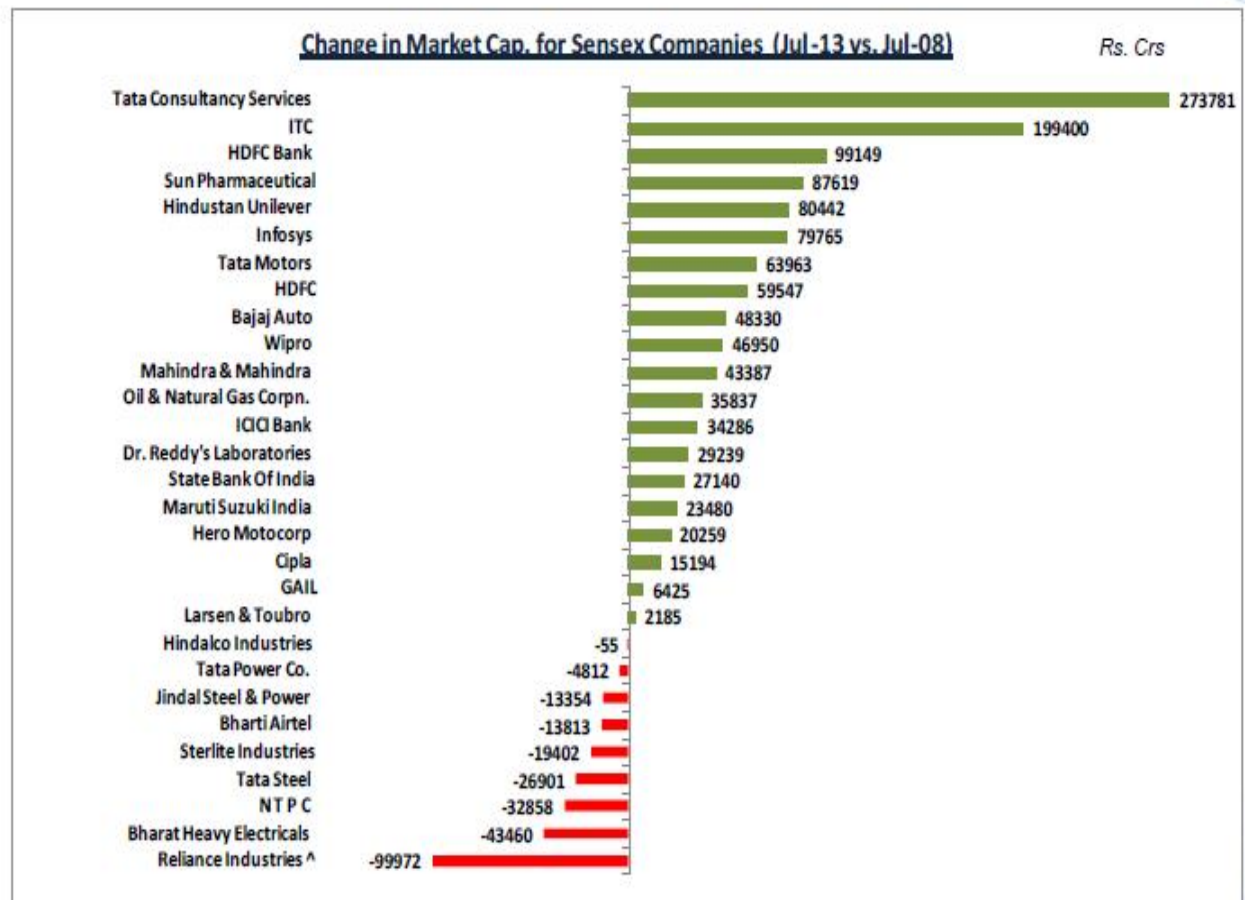
FINANCE

Focus Strategy ---
Value for investors

ITC → Amongst Largest Wealth Creator 2008-13



- Company is also one of the most influential stocks in the Indian bourses and has created substantial value for its investors over time.
- Market capitalisation, which stood at Rs 5,570 crores in 1996, has multiplied 50 times to around Rs 2,90,000 crores.
- Total Shareholder Returns, measured in terms of increase in market capitalisation and dividends, have grown at a compound annual rate of nearly 27% during this period.



■ Mkt Cap as on 31st Jul-13 (Source: Prowess)

^ Jul-08 Mkt Cap for Reliance Ind. includes Mkt Cap for Reliance Petro (merged in FY10)



OPERATIONS/MFGD



ITC-owned **manufacturing** units are Hazard Analysis and Critical Control Point (HACCP) certified.



National Accreditation Board for Testing and Calibration Laboratories (NABL) Accredited Quality Labs



AUTOMATIC PACKAGING



AUTOMATIC STORAGE & RETRIEVAL SYSTEM (ASRS)

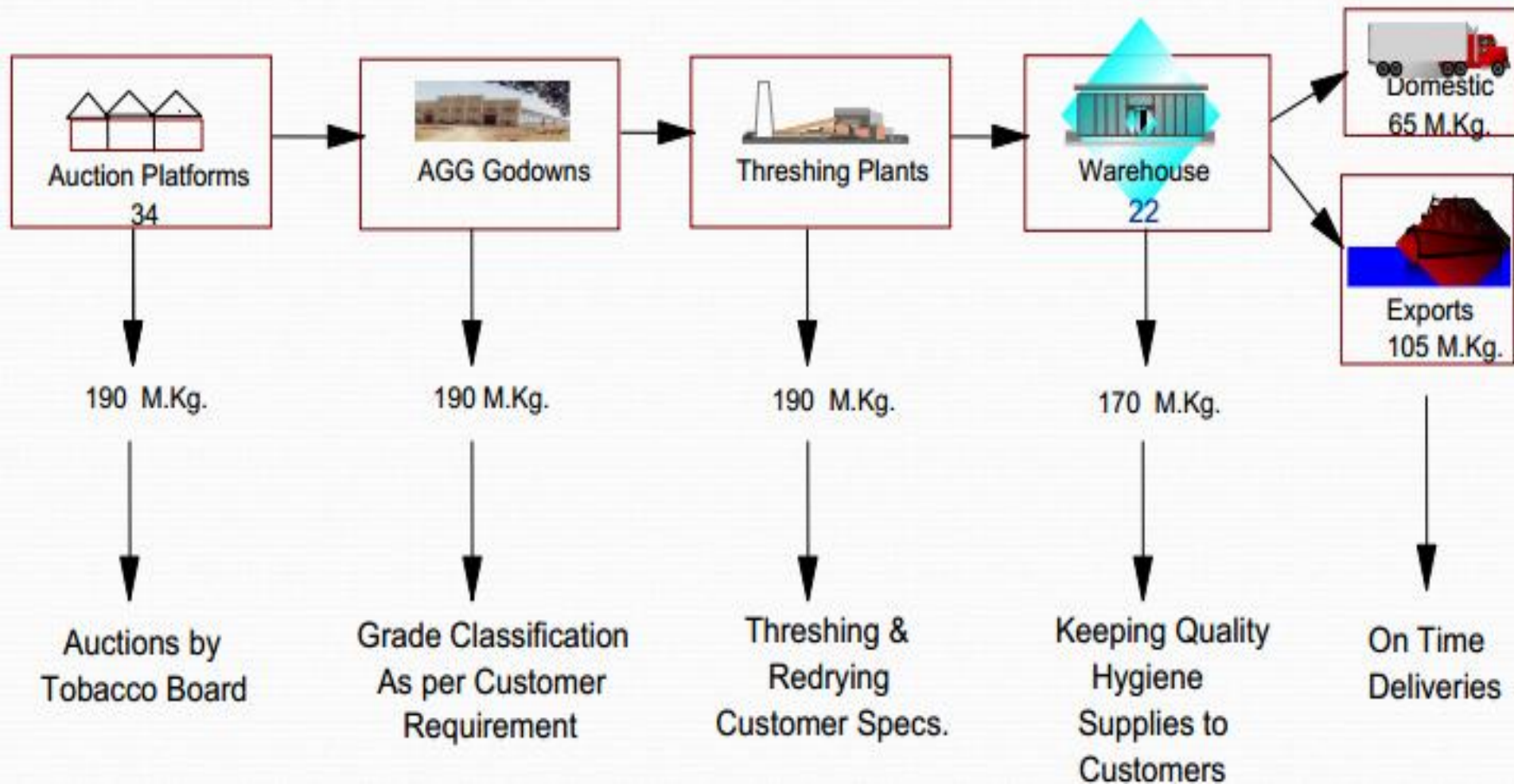


CUSTOMIZED CONTAINER FOR SHIPMENTS



OPERATIONS/MFGD

LEAF TOBACCO SUPPLY CHAIN





OPERATIONS/MFGD

State of the Art Processing

-1 Million cases packed per annum

Semi Mechanized Operations at warehouses

-22 Locations, 1000 strong work force

-Only 0.01 % package damages

On time deliveries

Comprehensive Hygiene Management System

-99.99 % Infestation Free Deliveries



IT



ITC- Infotech : Established in 2000



“Technology Center of Excellence (CoE) to deepen capabilities and incubate cutting-edge technical competencies”



Strategic approaches and Solutions to the issues in ITC

- Need for a balance policy framework



- Create An Environment that helps to build and nurture Indian brands in all domestic markets



- Encourage the flow of technology know-how and investment required

ISSUES



APPROACHES



SOLUTIONS



Reference: Issue derived from ITCs' chairman's speech 2013



Strategic approaches and Solutions to the issues in ITC

- e-Choupal came to halt

ISSUES



- Personalized crop management advisory services with portable device i.e. mobile

APPROACHES



- e-Choupal version 3.0 included – Rozgarduniya (Job Portal)

SOLUTIONS





Strategic approaches and Solutions to the issues in ITC

- Business access on all platforms



- Reduce complexity
- Higher job satisfaction
- Improvement in efficiency and productivity



- CYOD (Choose Your Own Device)

ISSUES



APPROACHES



SOLUTIONS





Unique aspect of management- IT

- **SPA Technology**

STYLE PERFORMANCE ANALYTICS TECHNOLOGY



Reference: Issue derived from ITC Infotech September 2013 Report



Unique aspect of management

- Agri Science
- Bio Science
- Global Collaboration
- Master Design Facility
- Relentless Commitment To Quality

R&D

**For the
people**

- Productivity Based Annual Bonus Instead of Profit Based
- Internal talent acquisition
- Management development to upgrade skills at all levels

- More than 40% of energy consumption at ITC from renewable sources
- GLOBAL REPORTING INITIATIVE
- all its ten premium luxury hotels LEED (Leadership in Energy and Environmental Design) Platinum certified.
- Sustainability APP

**ITC
SUSTAINABILITY
INITIATIVES**

**For the
Customer**

- Store locator for premium FMCG products
- Portal for access to FMCG companies -customer of ITC AGRI Commodities



How ITC is better managed than HUL?

Parameters	ITC Ranking	HUL Ranking
Market capitalization	5	13
Capital Employed	86	195
Gross Block	28	84
PAT	12	33
Market capitalization	1,97,770	99627
Capital Employed	18951	4509
Gross Block	14091	3811
SALES	35247	23181
PAT	6162	2691
Attrition Rate	0% (senior Level) 12% (overall)	17%
Market Share in Branded Atta	Ashirwad (40%) leader	Annapurna (HUL forced to slowed down this brand)

THANK YOU!

YOUR QUESTIONS PLEASE

