The Turnaround at Raymond

This case was written by Munmun Samantarai and Indu Perepu, IBS Hyderabad. It was compiled from published sources, and is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation.
The Turnaround at Raymond

“The key challenge was of a brand getting older in a country getting younger. There was an urgent need for the brand to evolve from its legacy trappings in classic suiting and trousering fabric, largely meant for the pre-millennial generation and restricted to special occasions like weddings.”

– Sanjay Behl, CEO, Raymond, in 2017

“I was inspired by the challenge to transition successful homegrown brand into a trend-setting lifestyle global brand”.

– Sanjay Behl

INTRODUCTION

In June 2016, an article in India-based financial newspaper, The Economic Times, reported the magical turnaround of Raymond Ltd, (Raymond), producer of worsted suiting fabric, based in Mumbai, India. The article stated that the company’s stock had doubled, outpacing the S Sensex’s rise of 34% during 2016. Revenue grew by 37% and profit tripled during 2015-16. The 93-year-old company, one of India’s largest branded fabric and fashion retailers, was the world’s largest manufacturer of wool and blended fabric largely used in suits. Apart from fabrics, Raymond had also diversified into engineering and aviation.

The company with a glorious past had a tough time after the liberalization of the Indian economy in the early 1990s. The entry of international brands posed a threat to its business. The brand lost its luster further during the early 2000s when the market moved to readymade wear. It suffered due to experienced tailors leaving the profession with very few being left to stitch expensive suits. The unrelated diversification of business exerted pressure on the financials of the textile business. According to analysts, Raymond lost focus trying to do too many things (textile and clothing, cement, steel operations, etc.), at the same time. The company incurred further losses due to unsuccessful joint ventures (JVs) with Lanificio Fedora, Grotto SpA, and UCO NV, increased competition from Indian players, and the economic downturn. Competitors like Arvind Mills and

1 CEO INDIA Magazine, March 2017 Issue.
3 A fine smooth yarn spun from combed long-staple wool
5 The SENSEX-(or SENSitve indEX) is one of the prominent stock market indexes in India.
7 Italy’s leading woolen fabric manufacturer.
8 Italian fashion company
9 Belgium-based UCO NV is a leading textile company and carries the business of spinners, weavers, and dyers of textiles. The company operates through the following divisions: Spinning; Sportswear (including denim & velvet); Industrial Textiles; Lightwear (fabrics for production of lightweight clothes); and Household linen.
Aditya Birla’s Madura line of apparel raced past the company. Raymond plunged to losses during 2008-10 with high operational expenses. The brand’s growth slowed down and interest costs escalated. The cost of capital rose and margins fell by 5% between 2009 and 2013.

As the clothing business began to follow international trends, Gautam Hari Singhania (Gautam), Chairman and Managing Director of Raymond Group, felt the need to reinvent his company and bring it back to the growth track. In 2013, Gautam appointed Sanjay Behl (Behl) as the CEO. Behl was an engineer from IIT BHU (Varanasi) and an MBA from Sydenham Institute of Management (Mumbai). With Behl at the helm, the transformation of the company began and Raymond witnessed a successful turnaround.

Behl restructured the business and simplified the company structure. He emphasized customer-centric divisions rather than product-centric verticals. He ensured that the company divested itself of and shut down the non-core parts of the businesses like low cost fabric brands, carpets, curtains, and the upholstery business.

Under Behl’s leadership, the company was able to bring its focus back to the core business, reduce debts and operational costs, and utilize technology to improve efficiency. As of 2016, Raymond had nearly 60 per cent and 90 per cent share market share in the suiting’s segment and mid-to-premium ranges respectively. With such focus on core business and the transformation strategy in pipeline, it remained to be seen how well can Raymond perform in the future.

MAKING OF THE COMPLETE MAN

Driven by the rising demand for clothing for soldiers in the Indian Defense Forces in 1925, a man named Wadia had the foresight to build a small woolen mill in Thane (Mumbai). But the mill was not destined to remain with him for long. In 1925, E.D. Sassoon and Company (Sassoon), a prominent Baghdadi Jewish industrial family of that time, took over the company. They renamed it ‘The Raymond Woolen Mills’. ‘Raymond’ was derived from the names of noted members of the Board of Directors of Sassoon – Albert Raymond and his nephew Abraham Jacob Raymond. During that time, the mill spun a moderate quantity of woolen blankets and fabric.

The future of Raymond Woolen Mills seemed secure but unremarkable. Later, a prominent group from India, the Western Zone of the JK organization (JK), entered into negotiations with Sassoon. Foreseeing the potential of Raymond Woolen Mills, Lala Kailashpat Singhania (Kailashpat), one of the three sons of Lala Kamlapat Singhania (Refer to Exhibit 1 for Singhania Family Tree) took over the company in 1944. JK became the owner and took charge of the enterprise, which went on to become Raymond Ltd., one of the largest fabric and fashion producers and retailers in India.

Raymond imported wool, the primary raw material, from Australia and other wool-producing countries. It embarked upon a gradual phase of technological upgradation and modernization. Factories with modern machineries were installed. Eventually, the process of spinning, weaving, dyeing, and finishing were revamped to produce superior quality fabrics. In 1956, the company

11 Raymond Group owned apparel brands like Raymond, Raymond Premium Apparel, Park Avenue, Park Avenue Woman, ColorPlus & Parx.
12 As of 2016, Raymond’s distribution network comprised more than 4,000 multi-brand outlets and 954 exclusive retail stores across 150 cities across India.
14 JK was Founded by Lala Juggilal Singhania and Lala Kamlapat Singhania in 1988
received a small export order from Fiji for its fabrics. King's Corner, Raymond’s exclusive Retail showroom, was opened in Bombay (now Mumbai) in 1958. In the same year, Raymond exhibited its fabrics at the well-known St. Erik’s Trade Fair in Sweden and met with an enthusiastic response. The company had its own R&D team which worked to develop the best quality fabric. As a result, Raymond was the first company to introduce ‘Teroool’ a wool-blended yarn in India in 1959. Teroool turned out to be a revolution in the textile industry for its lightweight, cool, and comfortable features.

In 1964, a new Combing Division was set up, followed by a phase of vertical integration, facilitating the processing of multi-fibers and technology improvements to make blended fabrics. By the mid-1960s, Raymond had surged ahead of its competitors and was leading the domestic market. In 1966, it entered into the ready-made apparel business.

In 1967, Kailashpat and team (including son Vijaypat Singhania (Vijaypat) and nephew Gopal Krishna Singhania (Gopal)) expanded their business to Kenya for manufacturing knitting yarns, knitwear, as well as knitted fabrics, blankets, and garments. During the late 1960s, the R&D department of the company came up with a new poly viscose fabric called ‘Trovine’. With this, Raymond became the first textile manufacturer to introduce polyester wool.

Raymond continued its foray into international markets and entered Sweden, Denmark, the UK, and Australia. The growing demand in the international markets pushed the company to run its mill in three shifts. By 1968, Raymond had become the leader among ready-mades in India, achieving a business turnover of over Rs. 2000 million. The export of woolen textiles reached a record high and the company received an award for outstanding Export Performance in 1969 (Refer to Exhibit II for More Details on Awards and Accolades).

During those years, the Indian market was still in the budding stage as far as the ‘ready-made’ concept was concerned. Ready-mades were only confined to inner wear and shirts whereas trousers and jackets traditionally fell into the tailored category. In 1970, Raymond introduced a jacket line in India, thereby becoming a trendsetter in the ready-made garment trade.

Gopal, who was impressed by wool derived from the Australian merino sheep, wanted to incorporate the beautiful luxuriant wool into the Raymond collection. He thus proposed to bring the sheep to Dhulia (Maharashtra, West India) and cross-breed them with Indian sheep. Thus, in 1972, 947 Polwarth ewes and 18 Merino rams arrived at the Dhulia farm. After cross-breeding, the flock size grew to over 7,000. Dr. Shyam Jhawar, a veterinarian at the Raymond Sheep and Wool Research and Development division, asserted “It was a wonderful scientific opportunity to research and develop ways and means of cross-breeding Indian Deccani and Chokla sheep with Australian merino rams. The result was an extraordinary quality of indigenously produced merino wool which was later named Gopal merino Wool in memory of the founder of this project.”

Fresh vigor was injected into the company after Vijaypat took over the reins of the company in 1980. He transformed Raymond into a modern, industrial conglomerate. In 1986, Raymond introduced Park Avenue, a premium lifestyle wardrobe solution for men who liked to be well-dressed. After liberalization of the Indian economy in 1991, the textile players were the first to flag off retail chains before any other sector.

Raymond’s advertisements created a rage during the 1990s. Advertising legend Frank Simoes created the first ads for Raymond. In 1992, Rajiv Agarwal of Enterprise Nexus created Raymond’s trail-blazing campaign, ‘The Complete Man’. The campaign created a personality different from the way men were portrayed in the ’70s and ’80s. (Refer to Exhibit III for More Details on

15 A breed of sheep that was developed in Victoria (Australia) during 1880.
16 A breed of sheep that originated in Spain.
**Raymond Advertisements)** It showed a man who embraced emotions, had a sense of humor, and was sensitive and vulnerable. He fulfilled his societal and familial roles to a fault. Brand experts opined that the campaign showed a man that the upper-end Indian male consumer was aspiring to evolve into, choosing brains over brawn.18

Raymond took its first step on the international retail scene by opening its first foreign Raymond Shop in Oman. In 1995, the company introduced superfine pure wool under the Lineage Line of Super 100s to Super 140s series followed by the Renaissance collection made of Merino wool blended with polyester and specialty fibers in 1996. In 1999, the company introduced Parx when it entered the casualwear segment.

In 2000, Vijaypat retired and Gautam was appointed Chairman and Managing Director. During that period, the unrelated diversified businesses (cement, steel, and synthetics) that Raymond had started over the years that were funded through debt, began exerting pressure on the financials of the profitable textiles business. Hence, Gautam decided the company should divest itself of the non-core businesses (silk, synthetics and cement) and concentrate on the core area. Consequently, in 2000, the company sold off its stake in Raymond Synthetics to the Reliance Group. It decided to exit from the cement and steel business and sold off its cement plant to Lafarge19 and steel division to EBG Germany20. Gautam asserted, “Altogether we raised about Rs 1,500-1,600 crore (15000-16000 million). We cleared our debts and reinvested the rest of the money,”21

The company made its foray into women’s wear with the launch of 'Be' in 2001.22 Raymond acquired Regency Teixeis Portuguesa Limitada23 in the same year. In 2002, Raymond acquired ColorPlus24. In 2003, ‘Silver Spark Apparel Ltd.’ was launched to manufacture suits and formal trousers catering largely to export markets. In 2003, Raymond launched the world’s most exquisite and finest fabric – ‘Super 210S’25. It was the only company in India which had the technical know-how and the expertise to manufacture suiting in the Super 200S Wool category. Year 2005 witnessed further advances in the form of ‘Everblue Apparel Ltd. and ‘Celebrations Apparel Ltd.’ set up for manufacturing jeanswear and formal shirts respectively. Thereafter, the company added many more brands for menswear and the women’s wear segment.

**THE GOING GETS TOUGH**

During the mid-2000s Raymond became more aggressive in enhancing its retail presence to beat the increasing competition in the readymade segment. The iconic brand found itself struggling against newer Indian brands and foreign competition. The race intensified from other apparel companies like Reliance Industries, Arvind Mills Ltd., Aditya Birla Group’s Grasim Industries Ltd., Madura Garments, etc.

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20 A subsidiary of ThyssenKrupp Stahl
23 Regency Teixeis Portuguesa Lda, a subsidiary of Raymond Ltd., is a Portuguese company located in Vilarelho (Viana do Castelo) that manufactures garments including suits, jackets, trousers, and waistcoats. On Oct 29, 01 Raymond Ltd. acquired Regency Teixeis Portuguesa Lda for $3 million.
25 The term Super 220S connotes the fineness of the fabric – the higher the grade, the finer the fabric. In this case Super 220S is an elegant and exquisite fabric made from extremely fine 12.7 microns wool (one micron is one millionth of a meter).
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In 2005, Raymond announced a major initiative aimed at strengthening its position in the textile sector. The company entered into a 50:50 joint venture (JV) with Italian company Cotonificio Honegger S.p.A.26 The joint venture invested Rs.1800 million in setting up a plant with a shirting fabric capacity of 10.5 million meters per annum. At the same time, the company also decided to invest Rs. 1000 million to expand its worsted suitings capacities.27 The same year, Raymond signed a 50:50 JV agreement with Lanificio Fedora to set up Rs 399 mn project called Raymond Fedora Pvt Ltd. for the manufacture and sale of blankets, shawls, and carded woolen fabrics at a project at Jalgaon, Maharashtra.28 In 2006, it entered into another 50-50 JV with Grotto Spa and launched the Italian fashion brand, GAS, in India. Raymond also joined hands with UCO NV in 2006, to form an international denim manufacturing company called Raymond UCO Denim Private Ltd. As per the agreement, Raymond transferred its denim business to the joint venture company, while UCO NV transferred its stake in its denim subsidiary. The 50:50 JV in India had manufacturing facilities in four countries – the US, Belgium, Romania, and India.29

The first year of the Indian operation of Gas-Raymond 50:50 JV was not encouraging for Gas apparel. It recorded a loss of Rs.193.2 million in 2007.30 The losses mounted further to Rs. 504.6 million during 2008-09.31 Analysts opined that GAS couldn't thrive because of the premium positioning of the brand, high rentals, extensive, imported merchandise, and lukewarm sales. Raymond UCO Denim too posted losses of Rs.1209.3 million in 2007-08 and of Rs.3307.4 million for 2008-09. Raymond Fedora faced losses of Rs.120 million for 2007-08. The company itself recorded losses of Rs.416 million. Regency Texteis Portuguesa Limitada incurred a loss of Rs. 240 million during 2008-09.32

With the onset of the 2009 economic downturn, Raymond’s net sales declined to Rs.355.38 million, compared to Rs. 4357.8 million the previous year.33 In 2009, with pressure building up from losses at its various joint ventures and subsidiaries, the company had to roll back its JV with GAS. Raymond UCO Denim Private Limited was restructured with two of its heavily loss making subsidiaries in Belgium and the US being closed down. The firm reduced its stake in the Romanian denim plant to 25%.34 Revenues climbed steadily thereafter, but profits were low. The company reported an alarming dip in net profit in 2009. (Refer to Exhibit IV for More Financial Details)

TIME FOR CHANGE

In 2013, Gautam decided to hand over the reins to Behl. He wanted Behl to bring back the lost glory of the Raymond brand by 2020. Behl was expected to turn the suiting and manufacturing behemoth into a Contemporary lifestyle and fashion Retail Company. Behl, who had about 20 years of experience, had been with the Anil Dhirubhai Ambani Group (ADAG) since 2005, donning various roles including that of CEO of Reliance DTH & IPTV operations. Having started

26 Italy-based part supplier to leading premium shirt brands worldwide, which was a part of Gruppo Zambaiti.
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his career with Hindustan Unilever in 1994, Behl spent about 11 years in the company taking up various responsibilities. He joined Nokia in 2004 when the brand was under fire from a plethora of new cellphone rivals like LG and Samsung.

With such a background, Behl seemed to be an unusual choice for Raymond as he had had no experience in the textile business. Even Behl acknowledged that “Those days I knew more about soaps, detergents, mobile phones than fabrics.” But what drove Behl to be the CEO of the 91-year-old empire was his insight into customers’ minds. Being associated with consumer-centric companies, Behl understood the pulse of the consumers. Ravi Venkatesan, chairman of the advisory board of Raymond, quoted, “He had a reputation of getting things done.”

In July 2013, Behl joined Raymond Limited as CEO – lifestyle business, which comprised the textiles and apparels portfolio. Behl said, “I am delighted to join the Raymond team and am inspired to begin my innings in this ever evolving textile industry. Rapid change in consumer aspirations coupled with growing discretionary spend on lifestyle goods poses a tremendous opportunity for the market leading and highly respectable brand portfolio at Raymond, both in ‘Ready-to-Stitch’ textile fabric and ‘Ready-to-Wear’ branded apparel segments.”

The major essence of the transition for Raymond was to move from being a classical ‘product’-oriented organization into a menswear full wardrobe ‘solution’-based company by 2020. Harminder Sahani, CEO, Wazir Advisors, opined, “Behl’s challenge will be to grow more than the industry average and make use of the rising opportunity. Raymond stands as a strong brand. He will have to find newer strategies as fashion trends are changing."

There were several challenges that Behl faced. Among the foremost challenges was for him to gain professional credibility among his teams – as someone who could effectively confederate and lead them, given his apparent lack of experience in the textile industry. Initially, Behl did not introduce any big change in products or processes. Nor did he bring in new people.

The next big challenge for Behl was to make the holistic transformation happen keeping the core brand equity and inherent organization strengths intact; a transformation that had to be almost akin to the rebirth of the organization. The areas of excellence, i.e., the product quality and the conventional trade channels had to be kept undiluted. Another challenge for Behl was to balance the fundamentally incompatible objectives of delivering exponential profitable growth while catalyzing a radical transformation of legacy across the group. It was vital for him to bring the employees together and align their passion to the vision of change during the initial days of transformation.

TAILORING THE TURNAROUND

During the learning phase, Behl met up with as many employees as possible across levels, businesses, functions, and locations. His topmost priority was to learn, assimilate, and reflect on the many elements of business at Raymond and the industry. He also traveled extensively and actively engaged with multiple stakeholders both in India and globally. Thereafter, he moved with high speed and initiated massive changes across the organization. Within no time, a new-age Raymond was evolving, and fairly rapidly at that.

37 Textiles included all kinds of textiles – Indo-Western, shirting, denim and sportswear; apparel comprised Raymond’s four brands – Raymond, Park Avenue, Parx and ColorPlus.
39 Wazir Advisors is an Indian consulting firm focused on consumer products and services sectors including Fashion, Food, Home, Consumer Durables, Automobiles, Entertainment and Wellness.
The company formulated a 3-phase transformational path forward termed as Raymond 1.0, Raymond 2.0, and Raymond 3.0. The strategy was to be rolled out in three distinct time periods – 2014-2017; 2016-2020; and 2018-2025.

**Raymond 1.0**

For the Raymond 1.0 Vision, a ‘Strategy-into Action (SIA)’ execution plan was detailed. It was a granular and comprehensive plan with a clear set of quantifiable milestones for each business and function, with specific tasks, sub-tasks, and resources in measures of time, people and money, tracking and management review processes, linkages with performance management system, and incentives.

To begin with, in January 2014, Behl reclassified the company’s business from two broad verticals (textiles and apparels) to five strategic business units (SBUs) – shirting, suiting, apparel, garments and exports, and custom tailoring. Earlier, each vertical was headed by a president reporting to Gautam. In the new structure, each SBU was headed by a president, while shared service functions of brands, HR, finance, and information technology were created to facilitate all 5 SBUs. Behl asserted, “The new structure helped drive each of these functions to the level of excellence. It also helped manpower rationalization.”

Thereafter, in April 2014, Behl started divesting the company of all non-strategic and non-core business. He closed down unprofitable non-strategic retail stores including 50-60 loss making stores (both company-owned and franchisee-owned). Next, to focus all energy on the core business, Behl outsourced all non-core business processes such as information technology, security, and payroll to domain experts.

Behl restructured the company’s operations by relocating the manufacturing facilities for Color Plus from Chennai to Mumbai. He also revamped the sales, distribution, and supply chain functions. Under Behl’s leadership, Raymond took tough calls to reduce debt.

Behl also tried to reduce the costs of raw materials by searching for new markets from which to source wool. In addition to Australia and South Africa (countries from where the company used to buy its woollen), the company considered Uruguay too.

Behl made changes in the leadership team to catalyze the new organization structure. For this purpose, every single one of the ‘Top 350’ leadership roles was individually reassessed from a strategic perspective and re-evaluated for Manning. After the assessment, leadership talent for a third of the ‘Top 75’ roles was externally hired from the industry, setting the best global benchmarks for talent and functions. For instance, Shantiswarup Panda and Mohit Dhanjal from Hindustan Unilever (HUL) were appointed Chief Marketing Officer and Retail Head respectively. While Gaurav Mahajan from Tata Trent was made President, Apparel, Vijay Basrur from Quikr came in as E-commerce Head. In the process of hiring external talent and elevating internal talent, the average age of the direct reportees was reduced from 52 years to below 45 years. Behl opined, “As a company we want to think like a 19-year-old, so we hired a young leadership team of under 45 years of age with a diverse background.”

To enable building a high-performance organization, the company overhauled the performance management system with clear linkages of quantified KRAs (key result areas) with consequent management framework at all levels within the organization. The organizational culture at Raymond was embedded in meritocracy, transparency, personal accountability, bias for action, and collaboration.

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41 A strategic business unit (SBU) is a fully-functional unit of a business that has its own vision and direction. It operates as a separate unit, but it is also an important part of the company.


Enhanced levels of corporate governance and a continuous rise in the levels of strategic, executional, and fiscal diligence was a guiding vision at Raymond. In early 2015, a high quality Advisory Board for the Lifestyle Business was formed. The advisory board played a significant role in shaping the strategic agenda of the Raymond Group’s business. The board was constituted of Ravi Venkatesan (Chairman, Bank of Baroda, and Ex-Chairman, Microsoft India), Rajiv Bakshi (Ex-CEO, Cadbury, Pepsi), BS Nagesh (Founder, Terrain, Ex-MD, Shoppers Stop), Mihir Doshi (MD, Credit Suisse India), Rich Kar (Founder, Zivame, woman lingerie e-comm brand), and Manish Chokani (Enam Capital). The advisory board engaged with the leadership team every quarter, and discussed and debated at length diverse topics of potential relevance to the Raymond Group.

Behl also paid utmost importance to technology. He said, “The plan is to make Raymond a digitally immersed company, recast the manufacturing and supply chains, which are our biggest assets.” The entire supply chain was put under a common ERP SAP system. To clean up supply chain and eliminate product overlaps, Stock Keeping Units (SKUs) were cut down by 15 to 25 per cent.

Raymond’s business value chain, both horizontally and vertically, was reorganized. The rearrangement included retail renovation and expansion, product innovation, portfolio simplification, brand re-positioning, supply chain re-hauling, IT/digital integration, newer business models (viz. MTM or mark to market, offshore manufacturing), and global expansion.

IMMEDIATE RESULTS

Positive results started showing soon after Behl took charge. The company reported an increase in quarterly profit from Rs 6.1 mn for the quarter ending March 31, 2013, to Rs 81 mn in March 2014. Gautam said, “We closed the financial year 2013-14 on a positive note with a significant turnaround in performance at the Profit after Tax level. We are hopeful of improvement in the domestic sentiments in the coming quarter.” The net revenue profit for 2014 was Rs.1.08 billion.

By 2014, brands like Parx and ColorPlus, which were facing de-growth, had bounced back. Despite certain stores being closed down, the sales of Parx grew at 7 per cent, while ColorPlus grew at 38 per cent compared to 2013. An increase in sales was noticed for other brands as well. (Refer to Exhibit V for Sales Turnover).

For FY 2015, the company recorded gross revenue of Rs. 26 billion while profit for the year stood at Rs. 1.09 billion. In 2015, a facelift of Raymond stores across India started after the success of the pilot (conducted in 2014) with a new designs concept in a few company-owned company-operated (COCO) stores. London-based design firm JHP Design was roped in by the company to conceptualize the store design.

The company renovated around 40 stores (33 franchise and 7 COCO) having 150,000 sq. ft. of retail space in 2015. Reportedly, the stores witnessed a 15 percent increase in transactions and 25 percent top-line growth since the renovation.

The growth continued during FY 2016; the net sales increased to Rs. 27 billion.

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47 Annual Report Raymond.
48 “Raymond’s net sales up 5% in FY16 to Rs 5,595 cr http://www.fibre2fashion.com, April 29, 2016.
Aliasgar Shakir, analyst with Elara Capital, opined, “We believe high discretionary advertising expense and retail expansion will impact margins. However, there is likely to be strong scale benefit available in four to six quarters, which will drive up EBITDA sharply in 2017/18.”

KNITTING THE FUTURE

For the technical transformation of Raymond, Behl’s vision was to rapidly digitize the company. He wanted it to become a ‘way of life’ rather than just being an ‘enabling platform’ by 2020. To begin with, a Digital Customer Center (DCC) was set up in 2016, its primary mandate being to create a roadmap for digital integration and enhancement in various aspects of the organization. During the first phase, the company started micro-segmenting, digital prototyping, and profiling of customers. It focused largely on campaign management and marketing. Raymond also disintegrated its entire brand across the company. In the long run, Behl’s vision for Raymond was to make it evolve into a unique and compelling ‘lifestyle’ brand.

The core of the first phase was to evolve as a one-stop shop for all the needs of menswear – wardrobe, products, and accessories – for all occasions. Raymond also planned to provide custom-tailored to ready-mades to modified clothing lines. The company was in the process of re-configuring to cater to ‘what the customers wish for’ rather than offering the customers ‘what was manufactured’. Behl had plans to extend the range of men’s grooming products further. The company also moved ahead with store renovations, aiming to renovate an additional 50 stores totaling 180,000 sq ft retail space by 2016. Raymond also had plans to come out with its omni-channel strategy within a year to scale up its digital business and connect with younger customers. Mohit Dhanjal, Director Retail, said “If he (customer) wants Raymond products, he should also find it online. So, we are definitely looking at omni-channel strategy where a consumer can shop online or shop at the store and get it delivered at his home. It could be anywhere...you could shop anywhere, and pick from anywhere.”

Raymond 2.0, the second phase of the transformation strategy, aimed at expanding retail into smaller tier towns, converging all retail formats in larger markets, digitalizing the value chain, remodeling the integrated supply chain, and investing in the talent and leadership team. This phase was expected to be completed by 2020.

Raymond 3.0, the third phase timed beyond 2020, was about the company’s evolution into a ‘solution’-based organization and making digital a way of life at Raymond. The company was focused on sharpening the brand positioning further by leveraging each brand to its full potential. As of June 2016, the first phase of the 3-phase transformation process was approaching its completion. With two more phases taking shape, it remained to be seen whether Behl’s turnaround strategy and digital game plan would help Raymond become the ‘Complete Man’ again.

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51 CEO INDIA Magazine, March 2017 Issue
Exhibit I

The Singhania Family Tree

Source: Compiled from various sources
## Exhibit II

### Raymond’s Awards & Accolades

<table>
<thead>
<tr>
<th>Year</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>• CNBC Consumer Award 2007 - The Best Branded Readymade Garment and Textile</td>
</tr>
</tbody>
</table>
| 2008 | • Lyrca Images Fashion Awards - Most Admired Suiting Brand of the Year  
• Lyrca Images Fashion Awards - Most Innovative Lycra Brand of the Year  
• Lyrca Images Fashion Awards - Most Admired Textile Brand of the Year  
• Reader's Digest - Platinum Trusted Brand, 2008 |
| 2009 | • Images Fashion Awards 2009 - Most Admired Textile Brand of the Year  
• Images Fashion Awards 2009 - Most Admired Menswear Brand of the Year |
| 2011 | • Ranked 20th in "The Brand Trust Report, India Study, 2011"  
• The Businessworld Most Respected Company Award 2011 in the Apparel & Textile category  
• The ’Most Trusted Apparel Brand 2011’ Award from Economic Times Brand Equity  
• PARK AVENUE won the ‘Most Preferred Men’s Apparel Brand’ under the Lifestyle category in the NORTH EAST CONSUMER AWARDS 2011  
• Park Avenue ranked 36th ’Most Trusted Personal Care Brand 2011’ in Economic Times’ Brand Equity  
• Images Fashion Awards 2011 – Most Admired Men’s Formalwear Brand of the Year  
• Raymond Made-to-Measure won the 'Most Innovative Store Design' from ET Retail Awards 2011. |
| 2012 | • Raymond Retail won the 'Most Innovative Retailer of the Year 2012' from 10th National Franchising and Retail Industry Awards. |
| 2013 | • Raymond placed at the top of the ‘Textile and Garment’ segment as the ‘Most Admired Companies in India 2013’ by Fortune magazine  
• Raymond’s Vapi plant won the Second Prize in the National Energy Conservation Award 2013  
• ColorPlus awarded for 'Impactful Retail Design and Visual Merchandising' - Asia Retail Congress 2013  
• Raymond Made-to-Measure won the 'Retail Idea of the Year 2013' from ET Retail Awards 2013. |
| 2014 | • Raymond 'The Complete Man' TV commercial (husband-baby) won the "National Laadli Media & Advertising Award for Gender Sensitivity 2013-14" |
| 2015 | • Park Avenue won the Best Design Concept of the year Award for Innovative AUTOFIT Concept at Images Fashion Awards 2015.  
• Raymond won the ‘Best Retail Store Design for Fashion Apparel brand’ for Raymond Ready-to-wear store, Viviana Mall, Thane, from Visual Merchandising & Retail Design Awards 2015.  
• Park Avenue won the 'Retailer of the Year – Fashion & Lifestyle' Award at Asia Retail Congress 2015.  
• Parx won the ‘Best Use of Social Media in Digital Marketing’ Award at Asia Retail Congress 2015.  
• Raymond won the 'Best Window Display 2015” for Colors Of Wool campaign from Visual Merchandising & Retail Design Awards 2015.  
• Raymond won the 'Best Shop Fitting, 2nd Merit prize” for Raymond Ready-to-wear store, Viviana Mall, Thane, from Visual Merchandising & Retail Design Awards 2015. |

Source: [http://www.raymond.in](http://www.raymond.in)
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Exhibit III
Raymond Advertising over Years

<table>
<thead>
<tr>
<th>Period</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950s-60s</td>
<td>The company’s publicity efforts in the 1950s and 1960s was based on the ‘Chess king’ motif, which reflected the group’s focus on a higher-end, upwardly mobile market.</td>
</tr>
<tr>
<td>1970s</td>
<td>Advertising shifted focus to an ‘ordinary man’ character. Advertising included imagery to connect to the common man of the country.</td>
</tr>
<tr>
<td>1980s</td>
<td>Guide to the well-dressed man. Created by Frank Simoes, this gave Raymond its first spot.</td>
</tr>
<tr>
<td>1992-2002</td>
<td>The Complete Man Created by Rajiv Agarwal of Nexus Equity</td>
</tr>
<tr>
<td>2002 onward</td>
<td>The Complete Man RK Swamy BBDO continues the legacy.</td>
</tr>
</tbody>
</table>

Source: Adapted from http://economictimes.indiatimes.com

Exhibit IV
Raymond’s Financial Status (2008 to 2016)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profit/Loss (in Cr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>-270.40</td>
</tr>
<tr>
<td>2009-10</td>
<td>26.37</td>
</tr>
<tr>
<td>2010-11</td>
<td>-100.19</td>
</tr>
<tr>
<td>2011-12</td>
<td>56.35</td>
</tr>
<tr>
<td>2012-13</td>
<td>-47.84</td>
</tr>
<tr>
<td>2013-14</td>
<td>82.12</td>
</tr>
<tr>
<td>2014-15</td>
<td>100.00</td>
</tr>
<tr>
<td>2015-16</td>
<td>82.09</td>
</tr>
</tbody>
</table>

Source: Raymond.Ltd Annual Reports

Exhibit V
Sales Turnover

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Turnover</th>
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</thead>
<tbody>
<tr>
<td>2008-09</td>
<td>1178.77</td>
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<tr>
<td>2009-10</td>
<td>1385.04</td>
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<tr>
<td>2010-11</td>
<td>1407.68</td>
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<tr>
<td>2011-12</td>
<td>2004.73</td>
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<td>2012-13</td>
<td>2032.39</td>
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<td>2013-14</td>
<td>2185.54</td>
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<td>2014-15</td>
<td>2645.47</td>
</tr>
<tr>
<td>2015-16</td>
<td>2793.60</td>
</tr>
</tbody>
</table>

Source: Raymond.Ltd. Annual Reports
Suggested Readings and References:

The Turnaround at Raymond

30. “Raymonds to form Rs 180-cr jt venture with Italian firm Another Rs 100-cr initiative planned,” http://www.thehindubusinessline.com, February 18, 2005