

# I Trust People and Give Them a Blank Cheque: Sanjay Khosla

Cadbury India reports its highest-ever 27% revenue growth under Kraft; in no hurry to launch Kraft products

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Cadbury India has reported its all-time high revenue growth in the first year after Kraft Foods took over Cadbury in a \$19.7-billion deal, thanks to decentralised operations and sharp focus on core brands Cadbury Dairy Milk and Perk, a top official said.

Cadbury India has reported a record revenue growth of 27% last year. Kraft Foods Executive Vice-President & President, Developing Markets, Sanjay Khosla said. It ended December 2010 with Rs 2,500 crore in sales.

"I have given a blank cheque to our top performing markets; the idea was to get away from the control system in Chicago where we are headquartered," he said.

This means independent country heads can invest the way they want to—in sales, infrastructure, advertising and promotions. "This has worked well," said Khosla, who is in charge of \$14 billion worth of business in 60 markets including India.

He, however, said the company is in no hurry to launch Kraft products such as Oreo biscuits and Toblerone chocolates in India.

Khosla is in India for a two-day workshop along with 90 Cadbury-Kraft sales directors from all over the world. They are here to imbibe learnings from Cadbury India's diverse retail and distribution strengths.



**GREAT KRAFTSMANSHIP: Sanjay Khosla**

He attributes the record growth in India to three pillars – focus on the core business, adopting a 'global' strategy (that is, following a global model, but through decentralised operations), and tapping people's potential.

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Core business, in Kraft's world, includes brand development, sales, supply chain, cost efficiencies, right pricing, availability, campaigns, presence on social media, and so on. The country heads are accountable for profit and loss. "We also have a system of internal, healthy competition – about which country performs the best. India and China came very close last year," Khosla said.

While speculation is rife that Kraft will launch its biscuits in India sometime this year through a

third-party manufacturing deal with Ludhiana-based Cremica Foods, Khosla only said that the \$50-billion US giant is in no tearing hurry to bring its brands to India.

"I would prefer to do a few things simply; and do them well," he said. "There is so much to do with brands that exist. The per capita consumption of foods we are in is still so small in India," he added.

The bullishness on India explains why Kraft has absorbed 16 Indian managers in the past eight months to take care of functions in places such as Singapore and Zurich. Some of these officials are based in India, but are handling projects for other countries.

Khosla said Kraft does not intend to phase out smaller brands in Cadbury's portfolio. "Every brand plays a role. How does a local brand enter the top 10, is the question we are asking," he said.

The India arm, which has 2,700 employees, is one of Kraft's top 10 priority markets among the 170 countries it operates across.