

Working with Partners



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Tesco – some numbers



Tesco In India

August 2008 – 2 announcements made

1. Operate Wholesale Cash & Carry business
2. Exclusive Franchise agreement with Trent
 - Trent to have exclusive access to Tesco Retail expertise and capability including systems, processes & best practices
 - Tesco will help drive the development & growth of Star Bazaar



Trent Ltd managing director Noel Tata & Tesco CEO designate Philip Clarke

Growth Plans



- Opened 3 Star Bazaar stores in 2009/10 = 7 operating stores
- Plan to open 7 Star Bazaar hypermarkets in 2010/11
- 50 Star Bazaars by end of FY 2014
- Plan to open 1 Tesco cash and carry store in 2011

There is only trade with different formats



Meeting the customer's needs is the
common ground

What is expected from suppliers?



Just as much as a cliché as:
***all suppliers want is to grow primary
sales and share of shelf***

What is expected from suppliers?

*to accelerate profitable growth
by better meeting the needs of
our customers*

Walk before we can run

Be famous for?

Re-write the rules

Grow our share

Re-write the rules

Step change for Supplier & Tesco

Differentiate

Innovate

Grow the category

Find a better way

Understand our operation

Find solutions

Be flexible

Plan contingency

Be Reliable

Be safe & legal

Be available

Master accuracy

Launch on time

Right admin

Common ground = The shopper (the arbitrator)



No one tries harder for customers



I can get what I want

- Availability for October 2010 for top 20 FMCG:

Week commencing	4/10	11/10	18/10	25/10
availability	63%	68%	71%	65%

- Root causes for poor availability:
 - Lack of focus
 - Master data alignment
 - Payment / documentation issues

I can get what I want

- What does 65% availability look like?



I can get what I want

- Not helped by very large case sizes



I can get what I want

- What does good look like?



I can get what I want

- Range
 - Understanding who is our customer
 - Everyone is welcome
- Playing the price piano
 - Entry price points to premiumisation

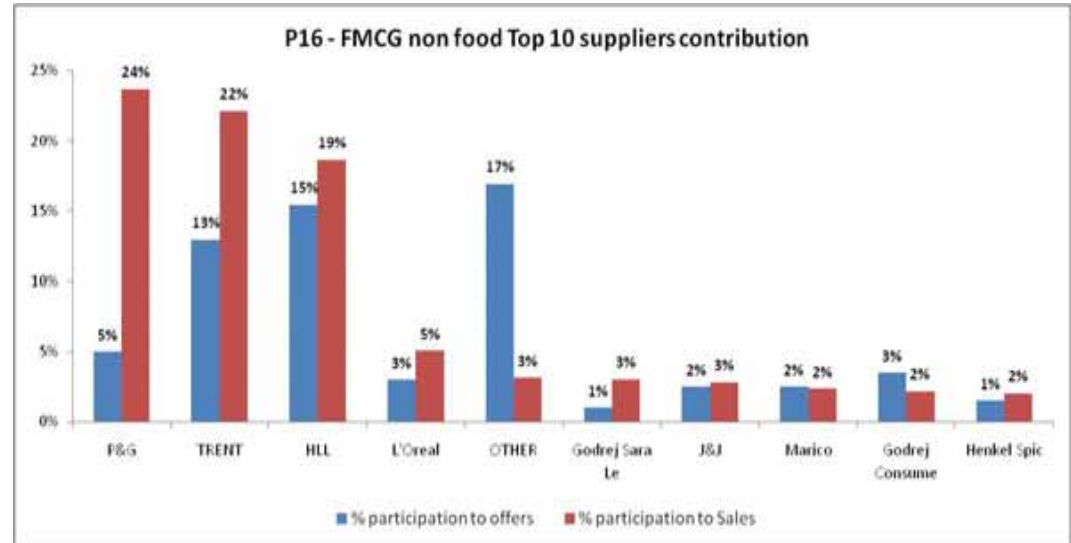
Prices are great

- Simple and effective promotions
- Effective instore merchandising



Prices are great

- Fewer but bigger promotions



- Utilising Clubcard



What does it mean for our relationship?

- Collaboration based around joint business plans
- Senior engagement
- Formal performance reviews
- Putting our best people forward
- Simple KPI scorecarding

What the process looks like in practice?

	STAGE 1			
More Specific	STAGE 1			
Plan agreed	More Specific & Measureable			
Agree				
Agree				
Agree				
Agree	Plan agreed in every category			
Agree	Agree growth targets			
Av	Agree margin targets			
	Agree activity program			
Start	Agree NPD launch's			
to be more specific	Agree promotional plan			
TC	Availability plan			

Success requires a different mindset

- Understand and focus on the shopper
- Understanding and respecting each others KPIs
- Getting the basics right esp. availability
- Annual negotiation...category management & JBP
- Short term tactical...long term strategic
- Sharing more, earlier
- Differentiation