



# SWEET SUCCESS

*Building a brand of national repute is not a cakewalk. But Monginis managed it with the right products, right partners and superior customer service – the perfect recipe for sweet success*

■ *By Shiv Joshi*

**T**raditionally, Indians celebrated important occasions, especially birthdays, with mithais (sweets). Cakes came in to the picture much later. That too they were more popular among the elite who were exposed to the Western culture, thanks to their exposure to the British.

As far as Mumbai is concerned, the one brand that can be credited with making cakes popular among the masses is Monginis. Slowly, the cake and snacks brand made its way into every neighbourhood and celebration in Mumbai before eventually going national.

## HUMBLE BEGINNINGS

Back in 1960s, the Khorakiwala family acquired full ownership of the iconic store Akbarallys and converted it into a department store where families could shop for everything they need under one roof. Among other departments in the store, was a counter selling freshly baked cakes and pastries, which became an instant hit among its elite patrons. Impressed by the demand, the shops nearby approached the family to supply cakes, which they would then sell. However, they weren't able to handle a specialised item like cake. "Our visionary founder Hussein Khorakiwala sensed the demand that was definitely there and decided that we get into retailing ourselves since few people other than us knew how to care for cakes. We then opened our first outlet in Bandra in 1965," informed Zoher Khorikiwala, Chairman, Monginis.

Soon, word about Monginis spread. So did the demand and people started requesting them to open stores in other localities.

## UNIQUE BUSINESS MODEL

At the start of their retail journey most brands want to control the entire value chain right up to the experience and therefore opt for company owned company

## COOKIE CUTTER GROWTH

As Monginis started looking outside of Maharashtra to grow, it opted for a hub and spoke model – setting up a factory that catered to the shops in the 20 kilometre radius. Here too, Monginis went the franchise way – it gave away manufacturing franchise. Weren't they worried about giving away their secret recipes? "One can never grow if one thinks this way. We choose our partners with care and keep them happy. When we grow, they grow too. And they know that. Besides it's taken us many years to build our brand to what it is today, it's not something everybody can pull off. Building a brand isn't exactly a piece of walk," Zoher Khorakiwala said.



► Zoher H Khorakiwala, Chairman, Monginis with his son Qusai Z Khorakiwala who is the company's Director

managed store. But not the Khorikiwalas. "We wanted to focus on our core strength, which was creating exceptional cakes and pastries. So when the demand for our products from other parts of Mumbai grew, we decided to grow through a franchise model because we were also getting business enquiries," informed the Chairman.

Most businessmen would find such a model risky and would worry about the brand experience getting diluted. But the Khorikiwalas were confident about their model as it was developed with great thought. It included not just marketing and technical support to franchise owners, but also rigorous training on customer service to the customer-facing staff as per Monginis standards. "Around 87% of retail in the US is franchising. So we thought we can do it successfully too," he informed. Monginis takes great care of its franchise partners and is always there to guide them on business. "You'd be surprised to know that we have never had to advertise for franchisees. All our franchise partners have come to us through word of mouth. Our existing franchise partners are our biggest advocates. New partners approach us impressed by their success and experience working with us," said



► The Monginis headquarters and factory at Andheri in Mumbai. (Below) The first Monginis shop

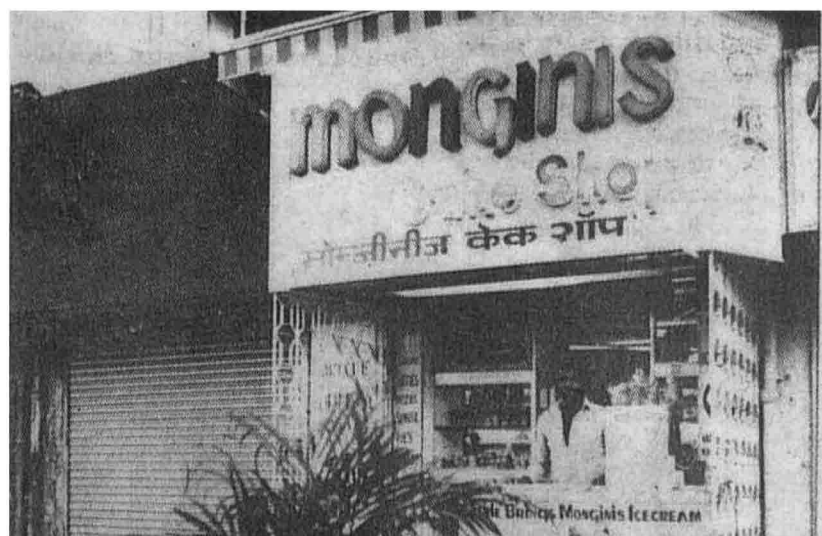
the Monginis chief. He further informed that there have been very few instances that the franchise partners and Monginis had to part ways or shut shop because of some issue.

“Our family has combined their years of experience with the vision of a community of collaborative shop owners, suppliers and other partners working together to create a brand name in the market to grow the business to what it is today,” he said.

When the footprint of the business became sizeable, the family realised the need to bring in the professionals.

### THE PROFESSIONAL ANGLE

Although Monginis is family



owned, it is an extremely professional company. The entire second rung of the company is professionally managed. “In time, we realised that with family members we can grow only so much. So we brought

in a competent HR manager. So the change towards professionalism really began since we hired her. She has been the catalyst to professionalising the operations, bringing in professionals from



across the industry,” explained Khorakiwala.

### GROWTH GRAPH

With the professionals coming in Monginis started growing rapidly – introducing new products, innovating in technology and product ranges and entering new geographies. Today, Monginis has two main business units, one that retails perishables (cakes, pastries, snack items) through franchised Monginis outlets and the other range of products with a certain shelf life to be retailed through retail chains.

“Our vertical growth has been about 10%. But overall, it’s much more,” explained Khorakiwala. He further informed that Monginis focussed more on year-over-year growth of its stores. “That is the real test. Because we believe that it’s easy to show horizontal growth by simply opening more number of outlets but the true measure of success is when each of our stores is growing its revenues too, espe-

cially in the face of rising overheads,” he said.

When asked about the secrets of their success, the chief mentor of the Monginis family enumerated that great quality of products, superior services and ethics as the key to making the brand a household name. Today, there are over 700+ Monginis outlets across the country. On an average, 1,40,000 customers visit a Monginis cake shop daily across the country. In addition, its long shelf life packaged cake products are retailed through 10,00,000 outlets nationally with a sizeable presence in Mall, Super markets and on Railway stations.

Monginis lays a lot of importance on the location of its shops and favours local markets and communities and neighbourhoods for easy availability.

“Out of the 250 shops in Mumbai alone, as many as 30 shops are what we call Crorepati shops that achieve above 1 crore business in a

### RICH HERITAGE

Although there isn’t an exact record, the Monginis brand has been around for a 100 years. It was started by two Italian brothers during the pre-independence period in an eponymous restaurant-cum-store in Fort, Mumbai. At some point post-independence, the brothers sold the store to a Khurana family who ran it for a few months before selling it to the Khorakiwala family in 1961. The family bought the space, actually, for Akbarallys, the departmental store.

But since all the baking equipment already existed, the family decided not to shut down Monginis and began selling its products at a counter at Akbarallys.

year,” said the proud Chairman.

“We have grown significantly in the last few years and we owe all our success to our people. Our mission is to offer gourmet cakes, pastries, cupcakes, cookies, and more that are universally enjoyed by family and friends and make Monginis a part of all life’s celebrations and memories. Our Core purpose is to help people express their happiness in a memorable way. We want to be part of every celebration across India. But we will go about it in a systematic and planned way. We are in no hurry to get there. Steady progress has been our way,” he concluded. 😊