

CASE STUDY

GOLI - MAKING OF A CROREPATI BY SELLING VADA PAV

Mr. Deepak Sharma

Assistant Professor (Selection Grade),
Dr. Gaur Hari Singhania Institute of Management & Research,
Kamla Nagar, Kanpur (UP) INDIA
Email id: deepak.sharma@ghsimr.org

Mr. Randhir Kumar Singh

Assistant Professor,
Dr. Gaur Hari Singhania Institute of Management & Research,
Kamla Nagar, Kanpur (UP) INDIA
Email id: randhirmba@gmail.com

ABSTRACT

The case is written on the leadership style in entrepreneurship. Goli Vada Pav is a company founded by Venkatesh Iyer and his friend Shivdas Menon in 2004. The objective of the Goli Vada Pav is to provide the affordable food items which can be eaten anywhere and at anytime. Venkatesh Iyer and Shivdas Menon faced a lot of problems in establishing the business but ultimately they are able to get success in their motive. They compete with the international brands like McDonald and others but ultimately they are able to make a position in the market and customers. Now-a-days there business are not only situated in Mumbai but also in other places. In order to fulfill the demand, Venkatesh Iyer and Shivdas Menon have decided to adopt the concept of franchising and they have successfully implemented it.

Venkatesh Iyer and Shivdas Menon adopted various strategies of marketing in order to increase the sale of the eatable items. The various concepts of strategic management focusing on competitors also adopted which leads to the success of the organization.

It can be concluded that it is Venkatesh Iyer whose Charismatic leadership style in entrepreneurship leads to the success of Goli Vada Pav Company which is fully supported by Shivdas Menon.

Key Words: *Goli, Charismatic leadership, HACCP, Business Model.*

It looks like something you must not ingest, and savoring its tantalizing flavors requires that you willfully abandon all basic rules of gastronomy and hygiene. It is perhaps the least likely item upon which to build India's very own fast food chain, a product that has the potential of becoming an international brand as big and powerful as, McDonald's or Burger King. This product was vada pav, the Mumbai's local version of Burger. The product was being made and sold by numerous small vendors in almost all markets of Mumbai. Challenging the experienced local players, that too, for ethnic food, was not easy. Yet two Mumbai entrepreneurs with a background

¹Crorepati is a person who resides in a household whose net worth or wealth exceeds ten million rupees, Crore is unit of measuring the money. 1 crore is equal to 10 Million Rupees.

² Vara pav, is also spelled wada pav, is a popular vegetarian fast food dish native to the Indian state of Maharashtra (for further information pl. refer to annex. 04 given at the end).



in corporate finance embarked on this quest seven years ago. The competition was stiff and from both ends, as building a brand for this home-grown version of the burger meant competing with countless successful roadside rivals, and take on big players like McDonald and Burger King simultaneously.

Goli Vada Pav, an ethnic fast food chain founded in 2004 by Venkatesh Iyer and Shivdas Menon, changed the way this popular snack is prepared and consumed. It took the snack indoors into a more gentrified ambience and made it a sterilized, upmarket version of its original self, without tinkering one bit with the alluring taste that sustains vada pav's mass appeal. Goli offers a range of vada pavs including palak makai tikki, cheese vada pav, etc. has proved to be big earners. Goli has sold over 3.5 crore such vada pavs in the last six years, priced between Rs. 10 and Rs. 30 (Indian Rupee).

Running a business selling vada pav might seem like a simple idea, but entrepreneurs Venkatesh Iyer and Shivadas Menon were planning a completely different vada pav manufacturing and selling business unit. The scale of operations desired required set up with capacity of 75,000 vada pavs per day, and that is not all; they also wanted it with hands-free technology with each of vada pav going through metal detectors and x-ray machines to maintain hygiene and all this without sacrificing the taste.

FAST FOOD

Fast food is the term given to food that can be prepared and served very quickly. While any meal with low preparation time can be considered to be fast food, typically the term refers to food sold in a restaurant or store with preheated or precooked ingredients, and served to the customer in a packaged form for take-out/take-away. Outlets may be stands or kiosks, which may provide no shelter or seating.

INDIAN FAST FOOD

Many of the traditional dishes have been adapted to suit the emerging fast food outlets. The basic adaptation is to decrease the processing and serving time. For example, the typical meal which called for being served by an ever alert attendant is now offered as a Mini-Meal across the counter. In its traditional version, a plate or a banana leaf was first laid down on the floor or table. Several helpers then waited on the diner, doling out different dishes and refilling as they got over in the plate.

In the fast food version, a plate already arranged with a variety of cooked vegetables and curries along with a fixed quantity of rice and Indian flatbreads is handed out across the counter against a prepaid coupon. The curries and breads vary depending on the region and local preferences. The higher priced ones may add a sweet to the combination.

INDIAN FAST FOOD MARKET

India's fast food market is worth US\$9.33 billion, registering year-on-year growth of 9% in 2010. The market is stipulated to reach US\$12.25 billion, with CAGR of 7% in the next 3-5 years (2010-2014). The moderate growth is primarily attributed to higher regional and local penetration of fast food outlets in Tier II and Tier III cities along with improved household disposable income. Demographic segments aged between 25-35 years are the largest consumers of fast food, with approximately 35% eating out once a month in cosmopolitan cities such as Bangalore, Hyderabad, Mumbai, Delhi, Kolkata, etc. The fast food market volume sales stood at 455.9 billion transactions, with year-on-year growth of 9.1% in 2010.

Mumbai being the business capital of India is the most preferred destination for urban young business executives, and is the leading fast food market across India, with average eat outs of 6-8 times per month. India is the third largest fast food market space across Asia-Pacific accounting for 12% of the total market in 2010. The working culture and lifestyle of Indians was drastically changed, with the opening of Indian economy in 1990's. The emergence of young working class changed many customs, like eating home cooked food. One major attribute of most young working professionals is lack of time. Vada pav had always been one of favorite fast food for the young population in Maharashtra, especially in Mumbai (Bombay). LPG had made people more aware of food hygiene issues and health has emerged as one of key concern.

SELECTING THE RIGHT PRODUCT

Venkatesh in his working with retails with Balaji Corporte Services got hands on experience in running a retail chain, became interested in food industry in 1995. He explored with many food items but could not make up his mind for selecting any one. The idea of ethnic food came out by chance when he was discussing informally with a friend who was working with Kellogg's India. His friend claimed that 'Indian prefer Desi food'. This enlightened Venkatesh to consider Indian ethnic food as his business. When he was studying the idea further he decided to take up finger food, something that could be eaten while on move. After evaluating various factors and choices Venkatesh narrowed the choice to Idli and Vada Pav as his product.

After careful analysis Venkatesh selected the Vada pav as the sole product for its business innovation based on certain advantages like this being a finger food i.e. no plates, no spoons, no tables; no chairs required which saves the fixed asset investment in the business. Vada pav is also a mobile food which one can eat while walking, talking, standing,

travelling, shopping etc., a universal appeal to it with the type of ingredient like potato, wheat and spices and this being food for the masses. Also this was among some of the fast foods where the product is easy to prepare in a short span of time. This product is made up of potato and wheat which has a universal appeal and contains “besan” (Gram flour) and spices as the other ingredient which adds the ethnic appeal to the product. Product prices vary within the range of Rs. 10-25 (Indian Rupees) according to the variety of Vada Pav offered.

With this and whatever information that could be gathered, Venkatesh stated the business planning and collected more information of existing suppliers of vada pav, their taste, demand, quality of pav, size and weight of vada, type of raw material and ingredients used, price offered. He quickly identified the basic characteristics of the vada pav business. It was only because of this firsthand information, Venkatesh was able to select the most preferred taste and could offer the product with desired characteristics.

Traditionally, vada pav making is a small scale traditional set up which could be started with minimum investment. The traditional set up needed a gas/fuel based burner, a deep frying pan, few utensils, and in majority of cases the vada pav were made and sold on hand carts. The product is supplied in paper plates or in paper bag. This traditional system had many weaknesses, like-

- Frequent unpredictable changes in taste.
- Quality depended entirely on the Cook or person making vada.
- The production was limited and capacity fixed.
- Unhygienic conditions of making vada, as most work is done by hand and the utensils, cooking ware were mostly open.
- Improper place to sit and eat vada pav.

In spite of all these problems, vada pav remained most preferred all time fast food because it offered some unique advantages like low cost product, easy availability, tasty to eat, and any time food that could be substituted for meal. The business plan was to offer vada pav in a hygienic and clean environment, at an affordable price.

THE BEGINNING

Venkatesh developed the entire business plan by 2003. Now he needed finance, he took some money from friends and relatives and Shivdas Menon, his old friend decided to join the venture as partner. Both of the promoters of Goli Vada Pav come from corporate finance area and Venkatesh had knowledge of food retailing.

Venkatesh & Shivadas Menon quit their regular jobs and teamed up in 2004, and put huge chunk of their savings in the venture and also borrowed money from friends and relatives. They invested Rs1.0 crore to buy equipment and a van, and build a 500-sq-ft kitchen at Dombivli. They hired 20 people to

handle the kitchen, eatery and transportation. For the next one year, they visited every vada pav vendor to understand the ingredients and to identify the impact of these on the taste of product. They also collected data by visiting all the major vada pav sellers in Mumbai (Bombay) and surreptitiously ask them the number of pavs they sold every day to get an estimate of the sales and demand. By the time Venkatesh erected his small outlet, selling vada, tea and some other snacks like samosas, he had logged a number of failed attempts to set up Goli vada pav kiosks on the footpaths of Mumbai.

Initial response was satisfied, the sales and demand was steady on rise, but Goli Vada Pav was nowhere close to reaching its present scale of operations, even two years after launch. They were churning out a few hundred pavs the traditional way. But they faced huge wastage, pilferage and quality issues. High footfalls at its outlets translated into high sales, but the operations were fraught with unnecessary wastage of its raw ingredients, which escalated costs, and a lack of standardization of quality and taste. While the traditional thelawalas would smash the potatoes and dip the preparation in batter using his bare hands, at Goli each step in the making of the vada pav is automated. Venkatesh was quick to observe that in India, there is not much food safety norms followed when it comes to street food. Consumer has no idea when and how the potatoes are washed, where they are stored and who handles them. Goli decided to offer branded and quality food at comparable rates. The process involved is similar to that of making a McDonald's burger.

There are many hurdles in running a food business in India. The major one being the price at which these food items are sold tends to fluctuate on daily basis and second, the shelf life of food stuff is short. India being a tropical country, the micro-organisms multiply fast, diminishing the shelf life of the food items. The vada standardization offered most complex problem. It's not that they did not try. To increase the shelf life of its product, the firm tried various technologies used by dairy and other perishable-product manufacturers: ultra-violet rays, nitrogen gas chambers, and even blast-chill refrigeration. But none of these methods produced satisfactory results. The key problem was of vada, a vital ingredient, had low shelf life.

Goli team after many experimental failures realized the limited fund condition they had. They searched for financiers; it was not an easy journey for the entrepreneurs. After receiving a funding of Rs 4.5 crore in 2007 from a high net-worth individual, Goli was able to scale up the business Venkatesh while searching for solution of Vada shelf life came in contact with Vista Foods, which prepares burgers for McDonald. Vista Processed Foods, a subsidiary of the US company OSI, one of the world's largest food processing corporations, which prepares burgers for McDonald's. Goli Vada Pav outsourced the manufacturing of the potato dumpling to OSI's fully automated plant near Mumbai. This plant has a global standard for food safety, and can prepare 100,000 portions in five hours.

The plant is certified for hazard analysis and critical control point, a global standard for food safety. Right from slicing, peeling, dicing, sealing, packing and delivering, there is a quality check and control at every stage. The vadas or golis as they are called are made at the OSI Inc Taloja unit, frozen at 18°C, packed and sent to our cold storage unit in Dombivli in refrigerated vans. From Dombivli, these vadas are then supplied to the cold-storage units in Nashik, Aurangabad, Nanded, Nagpur and Bangalore. The standardized vada pav has a shelf life of nine months.



Goli vada pav had have five refrigerated vans and each has a capacity to carry 12 tonnes of vada, ie, one van can easily store 800 cartons which comes to approximately two lakh vadas. These are supplied twice a week to all outlets within Mumbai; once in a week to Nanded, Aurangabad and Nashik; once in 15 days to Pune and once in two months to Nagpur and Bangalore. The regional manager audits the van regularly and updates the log-book with details of the temperature maintained, and the vadas. These packets are marked with the date of manufacture and the date of expiry. If anything is not correct, that packet can be identified and its origin and maker can be identified. At the Goli outlets, these vada pavs are unpacked, deep fried and served with various kinds of stuffing.

Goli, expanded the sales volume and has sold the product purely through word-of-mouth publicity. Realizing the enormous potential of business, Goli has been able to open 100 franchise stores in cities such as Mumbai, Bangalore, and Pune. It was a gamble that paid off, thanks to rising incomes and fast-changing dietary habits among Indians in a buoyant economy. The response was good and Goli expanded to 10 outlets in 4 months. Venkatesh had brilliance of providing uniform to his staff in red and white ties and they had large pictures of Goli product on the walls, just like McDonald's and Burger King. Goli Vada Pav not only maintains the quality and taste of the food but also ensures economical pricing of it. Currently the customers are served the basic vada pav at an affordable Rs.17 only, in addition to it, they offer ten different varieties of vada pav including palak makai tikki, cheese vada pav, and aloo tikki pav etc.

MISSION STATEMENT

To provide standardized ethnic fast food in clean and hygienic conditions to mobile Indian masses at economic pricing.

VISION STATEMENT

1. To create ethnic Indian brand in fast food industry.
2. To create fast food entrepreneurs across the country.
3. To provide certified career opportunities.

According to company website, the aim of Goli Vada Pav is to provide standardized ethnic fast food in clean and hygienic conditions to mobile Indian masses at economic pricing. The innovation made by Goli Vada pav in its product line and the franchisee model are the key supporting factors which are aligned to the vision of the company.

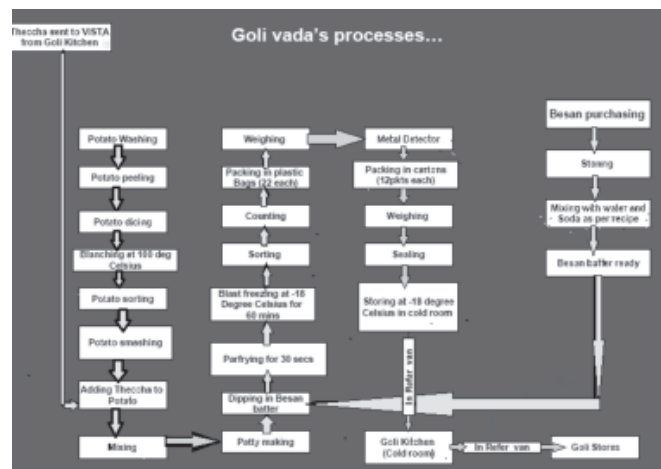
RESTRICTED ENTRY

Right from day one goli's kitchen had restricted entry. Goli Manufacturing has developed a set of rules to be followed in its facility. These rules apply even to anyone visiting the plant. One cannot enter the kitchen without wearing gloves and safety gears; even the shoes are thoroughly washed with chlorine. The Goli outlets have been carefully designed keeping in mind the cleanliness and hygiene aspects. "Stainless steel equipment is being used at the outlets because they are rust-free and easy to maintain. Wooden equipments are not hygienic and there is fear of insects like cockroaches or termites which thrive in wood. Secondly, the uniform red and white tiles in every outlet compel the franchisee to maintain his premises clean and hygienic.

Besides the outlets, the maintenance at the godowns or store houses is crucial. The 'master franchiser' and area manager are primarily responsible for the maintenance of the godowns. Most important in the maintenance schedule is the temperature levels in the refrigerator. This is to ensure that the food does not get stale or any kind of micro-organisms grow that could spoil the quality of food.

BUSINESS MODEL

Starting with its operations in early 2004 with the concept of single 'Quick service restaurant', it cashed in on business by adding the differentiating feature in the India's very own fast food i.e. Vada pav with different fillings innovating the same to provide enriched experience as well as nutritional benefits of having a Vada pav in comparison to road-side vendor. Also, the products are made in fully automated HACCP³ certified hands free plant.

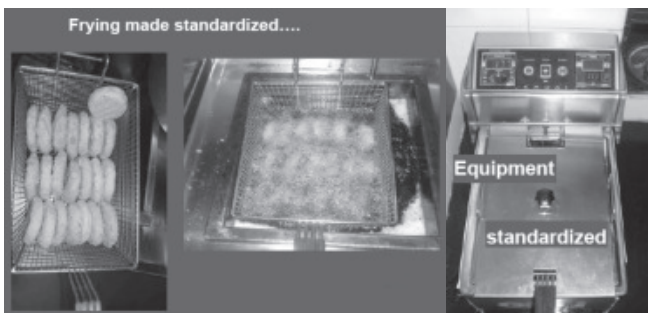


³ Hazard Analysis Critical Control Point or HACCP

The gram flour-coated dumplings are packed, sealed in cartons, with manufacturing and expiry dates clearly stated, and transported in refrigerated trucks to warehouses and thereafter to franchises, where they are unpacked, deep-fried to order, and served scalding hot to customers. Each outlet has a single-touch fryer, designed specially for the company by engineers at the Veermata Jijabai Technological Institute in Mumbai. Goli Vada pav tried to bring in the consistent flavor to its product by inspiring its supply chain from the McDonald way of maintaining consistency. The filling inside the pav, better known as Goli to its customers, is centrally prepared in Mumbai and reaches half-baked to its various stores which are popularly named as “Goli Vada Pav No.1” across Maharashtra to provide the same taste to its customers wherever they might be. The Pav or the Indian bread is procured from individual city’s for all the stores located in a particular city.

Goli Vada Pav’s franchise outlets have grown from 10 in 2004 to nearly 100 by 2010. Its turnover rose from 3 million rupees in its first year of operation to 150 million rupees last year. The chain is planning a massive expansion to 500 franchise outlets across India in the next five years, with a more than tenfold jump in turnover to 1.8 billion rupees.

Initially Venkatesh was earlier also considering idli, but then he thought of vada pav as he wanted to give people food that can be eaten on the go. The job profiles of most people today requires them to keep moving, there is no time to sit down and eat. For such grabbing a vada pav while commuting is the best and cheapest option, but lack of hygiene is a concern for most consumers, Venkatesh exploited this opportunity.



Goli, which offers a range of vada pavs including palak makai tikki, cheese vada pav, veg cutlet pav, schezwan vada pav and aloo tikki pav, has proved to be a big earner. Goli has sold over 3.5 crore such vada pavs in the last six years, priced between Rs 10 and Rs 30. The company has tied-up with Vista Processed Foods, a subsidiary of US-based OSI, to make vada pavs. OSI also makes burgers for the McDonald chain worldwide and around one lakh patties everyday in its plant at Taloja, near Mumbai.

The fryer machine that Veermata Jijabai Technological Institute engineers designed for Goli prepares pavs with the touch of a button. Vadas made at fully-automated hazard analysis critical control points (HACCP) certified hands-free plant are frozen at -18 degree Celsius and packed and set to the outlets. The standardized vada pav has a shelf life of nine months and can

be exported. At the Goli outlets, these vada pavs are unpacked, deep-fried and served, with various kinds of stuffings.

Every Mumbaikar’s favorite snack which can be taken anytime any where the one and only & our very own favorite — vada pav; which is now machined made. It has shelf life of nine months. The new machine made vada pav is known as Goli vada pav. Right from slicing, peeling and dicing each process is completely automated. The process involved is similar to that of making a McDonald’s burger. These vadas or golis as they are called after being prepared are frozen at - 18 degrees Celsius and then packed. These packets are marked with the date of manufacture and the date of expiry. Well after knowing this fact, I want to ask every mumbaikar; not only the mumbaikars but each and everyone whether they will prefer eating machine made vada pavs or the delicious freshly made hot ones at the vada pav centre. Will there lay a difference in taste having a freshly made vada pav or will one prefer the machine made vada pav in this machine age, where everything is automated.

They serve 10 different varieties of vada pav ranging from Indian onion bhajji stuffing to Chinese sauce stuffing (Annexure 2 for product offerings). They have tied-up with Vista Processed Foods; a subsidiary of the US based OSI Inc, which supplies burgers to McDonald Chain worldwide, for the last forty years. There is an automated process for every step: slicing, peeling, dicing, sealing, packing and delivering the vada pav. There is a quality check and control at every milestone. The vadas are frozen at -18 degree Celsius and packed and set to the outlets. At the Goli outlets, this vada pav is unpacked, deep fried and served, with various kinds of stuffing. The standardized vada pav has a shelf life of nine months.



Venkatesh has followed economy pricing strategy for Goli Vada Pav. The idea is to keep the basic vada pav for Rs 10. However, there will also be some variations on the higher end, up to Rs 22. The company also has mixed vegetables vada, palak-makai vada, schezwan vada, cheese vada and sabudana vada from now on in Pune. The pav will be made locally made and the vadas will continue to be manufactured in Mumbai with automated technology.

For Venkatesh and his business partner, Shivdas Menon maintaining the quality, scalability of their venture as well as the shelf life of their product is important. Goli Vada Pav makes 75,000 vada pavs each day with hands-free technology and each of them goes through metal detectors and X-ray machines to maintain hygiene and taste. The vadas are made in Mumbai, coated with besan and then stored at -18 degree Celsius. They are then sent to the various franchise outlets, where after quickly frying for five minutes they are ready to serve.

FRANCHISE EXPANSION

Goli vada pav was incorporated with the idea of creating an ethnic snack chain offering the staple Mumbai street food vadapav in standardized, yummy, hygienic manner at economic pricing there by becoming an alternative to traditional fast food. Goli Vada Pav is available in nearly 80 branches across Maharashtra. It has come to Bangalore through Goli Vada Pav No.1 outlet, which is located in 1st Block, Jayanagar. According to M.C. Amarnag, the partner of Mysore Inc., which is the franchisee of Goli, all the products are prepared in a Hazard Analysis Critical Control Point (HACCP) certified plant in Mumbai. So the level of hygiene of these products is guaranteed. The company is planning a massive expansion, with 500 franchise outlets across India in the next five years.

CENTRALISED BUYING OF RAW MATERIAL

The potatoes are from Punjab, the processing is done by the specialist that works for McDonald's and Goli Vada Pav turns them into the Mumbai snack that was hot long before burgers came to India. All this at 50,000 vada pavs a day, standardized to the last gram. At the heart is the kitchen, where the potatoes are turned into par-fried patties and then frozen before being fed through a cold chain to 65 outlets in the state.

NEW MARKETS EXPANSION

Selling and eating vada pav may be a part of the street food culture for the city, but for Venkatesh it was about dreaming about competing with multi-national burger outlets. From a small outlet in Kalyani, Mumbai, today he has gone to 27 cities and 75,000 vada pavs a day and is all set to expand to 30 more outlets in Pune and over 500 nationwide. At present, Pune has two Goli Vada Pav outlets. The other locations in Maharashtra include Nasik Dhule, Shirdi, Ahmednagar, Aurangabad and Jalna.

The company is eyeing new outlets are in unrepresented market place in the next five-years, adding its new outlets would all be on the franchisee model (Goli vada pav calls for franchisee (Annexure 3)). The vada pav-retailer offers a range of vada pavs including palak makai tikki, cheese vada pav, veg cutlet pav, schezwan vada pav and aloo tikki pav. The company has tied-up with Vista Processed Foods, a subsidiary of US-based OSI Inc, to make vada pavs. Vista makes around one lakh patties everyday in its plant at Taloja, near Mumbai. OSI also makes burgers for the McDonald chain worldwide. On future plans, Venkatesh wants Goli product to reach every city. Goli had signed with a Chennai Food seller, and

negotiation is on franchisees in Hyderabad, Delhi, Punjab and Rajasthan.

Goli is now planning a massive expansion by opening around 500 outlets pan-India is eyeing a nearly 10-fold jump in its turnover to 180 crore over the next five-years. It will also scout for partners in Dubai, the UK as well as Singapore. Initially, the plan is to raise a venture capital funding of 40 crore in next few months to scale up its operations.

UNIQUE ADVERTISING & BRANDING

The company has branded Goli vada pav and has positioned it as the local burger. For this the company used many innovative modes like going to the masses, on Ganesha festival 'Ganesha Chaturthi', it made a huge Vadapav base over which Ganesha idol was kept and huge procession took place and it was called as 'Goli Ganpati'. It also made some music compositions with 'Goli' as the centre of attraction and played the same at their stores so that people who come to those stores to eat vada pav or pass by could associate with the brand name 'Goli'. Also, company gave CDs to auto drivers to play it in their auto while they are driving and played CDs in Ganpati mandals so as to spread brand awareness among the masses. It also organized rock shows where it played its music CDs and distributed prizes to the best dancers in the competition. Company also started with putting slogans like "Goli Goli Goli...Vadapav Goli" during the train schedule announcements at Mumbai local railway station.

Company has relied on positive word of mouth for advertising and has been using some latest media like face book and twitter for its promotion. Goli has also used the innovative technique of creating stories with goli vada pav as the key place that attract many users, and post them on the company's web site.

UNIQUE PRODUCT DIFFERENTIATION

Goli product differentiation strategy was through the variety of vada it uses to make the product, in comparison to its competitors ranging from high-end food joints like McDonald's, Pizza hut etc. to low end competitors like local Vendors, Railway Platform Vendors, Desi Vada pav, Joshi Vada pav et al. The reason for the competition from High-end International brand was the franchisee location of the Goli stores where these players were found to be present and low end competition was the high proliferation of road-side vendors and more and more ethnic fast food chains entering into this segment due to availability of market gap.

FUTURE PLANS

Goli Vada Pav plans a massive expansion by opening around 500 outlets pan-India and is eyeing a nearly 10-fold jump in its turnover at Rs180 crore over the next five-years. Presently, the company has a 78 outlets strong network and a turnover of Rs18 crore. These 78 outlets mostly are concentrated in Maharashtra and Bangalore. But Company has already entered Chennai market. The company is eyeing Rs180 crore turnovers

once its 500 outlets are in place in the next five-years, and adding its new outlets would all be on the franchisee model. The company has tied-up with Vista Processed Foods, a subsidiary of US-based OSI Inc, to make vada pav. Vista makes around one lakh patties everyday in its plant at Taloja, near Mumbai. OSI also makes burgers for the McDonald chain worldwide.

Goli is also planning to get into small kiosks of size 75 sq. ft. with one staff manning it and serving just one product – vada pav. In the next five years, we plan to set up 1,000 to 1,500 of such kiosks. Apart from that, Company has decided that would be coming up with large outlets in the size of 1,000 to 4,000 sq. ft.

The company also harbors overseas plans, once they achieve the target of 200 outlets; the company plan to scout for partners in Dubai, the UK as well as Singapore. Trade enquiries are already coming from these regions. The company is keen to expand the company’s footprint in USA, Europe and Australia and is scouting for franchise partners. The growing popularity of vada pav, which is native to Mumbai, across India, does not surprise them.

India’s food retail business, which accounts for 26 per cent of the country’s GDP and is currently worth \$70bn, is expected to more than double to \$150bn, according to the global audit and advisory firm KPMG. According to a report - Indian Fast Food Market Analysis - released in September by the market researcher RNCOS, India’s fast-food market is growing at an annual rate of 25 per cent to 30 per cent.

COMPETITION INTENSIFIES:

GOLI inevitably will face competition. Some chains have already recognized that India’s big markets exist down the price ladder. Domino’s Pizza has extended its international Pizza Mania promotion to India. But while the cheapest pizza on its United Kingdom menu costs £4.95 (\$9.11), in India the cheapest is Rs. 35 (75 cents). An innovation in India, Domino’s has used the idea of free home delivery, if consumer order at least four pizzas, they get free home delivery. But that works out to just over \$3.

Another U.S. chain, KFC, has launched a snack box for Rs. 49 (\$1.05) and a chana snacker for Rs. 25 (54 cents). Like the Domino’s Pizza Mania fare, these are not targeted at the bottom of the pyramid, but at middle-class customers seeking value. Alongside the likes of McDonald’s, Subway and Pizza Hut, a large number of Indian food chains are ready to give the foreign giants a run for their money.

A prominent name in domestic market is Jumbo King Vada Pav, which is Mumbai based business following cost based promotional schemes.

REFERENCES:

1. Business Today /COVER STORY /May 16, 2010 ‘Burger king’.
2. The Economic Times, December 31, 2010.

3. The Economic Times, March 7, 2011.
4. The Hindu, September 23, 2010.
5. The Indian Express, January 16, 2011.
6. Visit <http://golivadapav.com/> on August 14, 2011.
7. Visit <http://knowledge.wharton.upenn.edu/india/article.cfm?articleid=4321> on September 01, 2011.
8. Visit http://www.dnaindia.com/money/report_goli-vada-pav-eyes-500-outlets-10-fold-turnover-jump-in-5-years_1430359 on August 26, 2011.

ANNEXURE 01

Venkatesh Iyer on how he started the venture



Goli Vada Pav



Venkatesh Iyer

44 Years

Age at starting current business : 37 years

Company Name : Goli Vada Pav

Headquarters : Mumbai

Seed Capital Rs 1 Crore (Indian Rupee 10 Million)

Source of money : Savings and loan from family and friends

The idea of having my own eatery had been simmering in my mind for a decade, but it took me a year to refine and serve it. Months of brainstorming and sweating it out paid off when I opened my first outlet, Goli Vada Pav, at Kalyan, Mumbai, in 2004. I began my career as a management trainee, in 1989, in what is now the Centurion Bank. After four years, I set up a financial services firm, Balaji Corporate Services. Since one of the services included raising funds for retailers, I got a chance to study the trials and tribulations of running a retail chain.

During all these years, I knew I wanted to start my own business, but it was only in 1995 that I decided which field it would be—the food industry. I toyed with several ideas but kept procrastinating as I didn’t believe the financial climate was conducive for starting a business. The impetus finally came from a neighbour, who was the then CEO of Kellogg’s India. “No matter what we do, Indians prefer desi food,” he once told me. This got me thinking about the vast opportunity in ethnic food, especially if one were to consider the population of more than a 100 crore.

If I could target even a fraction of this populace, the profit could be huge. The important question was: what should I serve? I wanted it to be finger food, something that could be eaten easily on the move. I whittled down the choice to idli and vada pav, finally settling on the latter. During the incubation period, if I mentioned the idea to anyone, they would snigger and ask, “Goli de rahe ho (are you pulling my

leg)?” As a fitting response to this mockery, I named my venture Goli Vada Pav. By January 2003, the blueprint was ready. Besides my family, the only person who supported me through this and eventually joined hands with me was Shivdas Menon, an old friend and colleague (Source: <http://golivadapav.com/> on August 14, 2011).

ANNEXURE 02

Goli Vada Pav Product Range and characteristics of each offering.

Goli Vada Pav



A unique blend of mashed potatoes and ethnic Indian spices coated with beasen. To be served with Sweet chutney, dry chutney and fried green chilly.

Nutritional Benefits: Rich in Carbohydrates, proteins, fat, dietary fibre and iron.

A combination of spicy Chinese sauce with hot spicy vadas to be served with scheszwan sauce.

Goli Scheszwan Vada Pav



A combination of spicy Chinese sauce with hot spicy vadas to be served with scheszwan sauce.

Nutritional Benefits: Rich in Carbohydrates, Proteins, Dietary fibre, fats and Vitamin C.

Goli Cheese Vada Pav



A perfect blend of cheddar cheese and spicy hot vadas makes it a instant hit. To be served with sweet chutney, dry chutney and green chilly.

Nutritional Benefits: Product rich in Calcium, Carbohydrates, proteins, fibre and fats.

Goli Sabudana Vada



Sabudana vada's are a blend of potatoes, sago, vegetable oil and exotic Indian spices. Traditionally enjoyed during fast.

Goli Mix Veg Vada Pav



As the name suggests, this vada is a mix of green peas, carrots, beans and mashed potatoes, rice formed and coated with batter and crumbs. Served with tomato chutney.

Nutritional Benefits: Rich in Carbohydrates, Proteins, Vitamin A, Dietary fibre and fats.

Goli Tikki Vada Pav



Tomato flavoured vada pav renowned for its tantalizing tangy taste. To be served with tomato chutney.

Nutritional Benefits: Rich in Carbohydrates, proteins, fibre and fats.

Goli Palak Makkai Tikki



This rich & nutritious product is an absolute delightful blend of mashed potatoes, sweet corn & spinach. To be served with veg mayonnaise sauce.

Nutritional Benefits: This product is rich in calcium, carbohydrates, Vitamin A, proteins and fats.

Goli Masala Vada Pav



This product is a blend of fresh green peas, carrot and mashed potato with exotic Indian spice, hexagonally shaped bread coated making it crispy and mouth watery.

ANNEXURE 03

GOLI CALL FOR FRANCHISE

Who can become franchise of Goli vada pav?

Enterprising men and women passionate about food industry having access to prime commercial property admeasuring 350 sq. ft. with a minimum of 15 sq. ft. frontage along with power & water connection in high traffic areas like railway stations, market area, business, colleges & residential catchments and ability to invest approximately 8 to 10 lacs.

Why Goli Vada Pav's?

- **Popular** all time favourite convenient fast food
- **Hygienic** less oil fried snacks
- **Output** – 50 pieces can be fried in flat 6 minutes
- **Universal appeal** – Potato, wheat & spices
- **Mobile food** – Walking, talking, standing, travelling
- **Finger food** – No plates, spoons, tables & chairs
- **Standard tasty food** – 365 days a year products taste 'YUMMY' across locations
- **Food for the masses** – Economic pricing

What does the franchise get?

- **Business model:** A scalable time tested business model
- **Brand:** 8 year old well established brand from Maharashtra
- **Standard operating procedures:** in all aspects of business
- **Insulated against inflation:** Franchise's insulated against inflation to a large extent
- **Logistics:** End-to-End logistics support & regular replenishment of stocks
- **Consumables:** Oil for frying & packaging material
- **Sourcing:** Complete centralised buying & sourcing (Oil to packaging materials)
- **Continuous R & D:** Seasonal as well as breakfast menu on the cards
- **Footfalls:** Continuous Marketing Support to drive in footfalls

- **Operations:** Complete Operational Support to monitor & drive business
- **Training:** Initial & refresher training for business owners and store staff
- **Shelf life:** Life of product increased to 9 months
- **Wastages –** Wastages reduced to nil
- **Dry Kitchen –** Ready to fry products; only mode of cooking is frying.

In Goli Vada Pav, we seek passionate people and equip them with essential support and assistance they need to achieve and exceed their goals.

(Source: <http://golivadapav.com/> on August 14, 2011).

ANNEXURE 04

MAKING VADAPAV

Place of origin: India

Region or state: Maharashtra

Course served: snack

Main ingredient(s): deep-fried mashed potato pattie.

USP-

- Cheapest form of a meal
- Ever-green dish can be in breakfast, lunch, or dinner.
- Easy to make, needs minimum equipments.
- Can be eaten while travelling



Vada pav (Marathi: वडा पाव), sometimes spelled **wada pav**, is a popular vegetarian fast food dish native to the Indian state of Maharashtra. It consists of a *batata vada* (Boiled potato stuff wrapped in chickpea flour, deep fried) called *bonda* in South India) sandwiched between two slices of a *pav*. The compound word *batata vada* refers in Marathi to a *vada* made out of

batata, the latter referring to a potato. *Pav* refers to unsweetened bread or bun and may be etymologically related to the Portuguese word for bread – Pão. Vada pav was supposedly devised by snack vendor Ashok Vaidya outside Dadar station in 1971.

Preparation of Vada Pav

Finely cut green chilies and ginger and a *phodani* (tempering) of mustard seeds and turmeric are added to a mash of boiled potatoes, and after dipping patties of the mash in an herb-seasoned batter of gram flour, the patties are deep-fried. *Vada pav* is typically served with a chutney (sauce) which is commonly made out of shredded coconut “meat”, tamarind pulp, and garlic.

Variations of the above basic dish include “cheese vada pav” (where slices of cheese are added); “samosa pav” (where a “samosa” is used instead of a vada); and “Jain vada pav” (where vada ingredients do not include onions, garlic and potatoes). Vada pav served in the nearby state of Gujarat is usually fried in butter or edible oil. The pav is first fried in a mixture of butter or oil and dried red chilly powder. After that the chutney is applied in the hot fried Pav and the Vada is placed in between. This is the only difference between Vada pav in Gujarat and Maharashtra. In the state of Gujarat, the original unfried Vada Pav recipe is referred to as “Bombay Vada Pav”.

This dish was initially started as the cheapest form of a meal for low income group, but due to its taste, this dish became so popular that many sophisticated hotels also have started dishing out this wonderful dish. Even today this dish has still retained its charm as an evergreen dish, and many people have it at breakfast, lunch or even dinner as well. Another big reason of its popularity is that the dish can be made and served in 1-2 minutes, and has only 2 or 3 ingredients (Source: <http://golivadapav.com/> on August 14, 2011).