

MY STORY SESSION

(Inspirational stories of successes & challenges faced by entrepreneurs as told by them)

Featuring

MS. HEMU RAMAIAH, CEO - LANDMARK

TiE Chennai brings practitioners & champions of Entrepreneurship in its monthly sessions. Recently it brought out this session (29/06/2007) by the 2003 women entrepreneur of the Year **Ms. Hemu Ramaiah**. Hemu Ramaiah, who needs little introduction, shared her truly inspirational entrepreneurial journey especially the challenges & triumphs in setting up one of the leading and famous bookstores in India - **LANDMARK**.

Given below are my notes taken during the session and are not official transcripts. They also capture only the points I noted down and is not in its entirety.

Story:

- Ms.Hemu's first job was in a boutique book store in 5 star hotels and there she worked for several years. While working she felt that the book collections there could be better.
- On that idea was born Landmark in Chennai. Coming from a conservative family she didn't borrow initially for a long time and banks' didn't provide easy money like today.
- Got some seed money from her brother in 1987 for about 6 lakhs and when he sold his stake to Tata's recently he made Rs.104 crores from that!
- During 1991 Forex crisis in India, Landmark made a bold move and bought all foreign titles from around India. Basically sucking the available titles. People who looked for these titles ended up knowing Landmark and came here to buy these books as they were available only here.
- Initially Landmark had problems with then foreign book distributors in India who were reluctant and not cooperative to supply to them. So they started their own distributorship firm – Westland. Today WestLand supplies to 1800 stores.
- In Coimbatore they started and tried their franchise. It was a bad idea on lack of control of quality and store management. In Manufacturing Hema believes franchise might work, but in Book Stores where you don't own the product, Franchise model will not work.
- In 1999 was the first Joint Venture (JV) in Kolkota. They took a 3rd floor in a side street, not a good idea!
- In 2000, was Internet website with SIFY. Spend about Rs.7 lakhs
- Bought the space where Landmark is today in Spencer building. Didn't rent it, proved to be a good move.
- Built a bigger back office, forced processes.
- Each store was different and sported young Interiors. Spencer's store became the anchor stall. 70% of traffic in a mall comes to an anchor store.
- Bangalore Koramangla store was rented.
- Rewrote their entire backend Software with Network connectivity.
- With all these activities was the question, on How do you end the business, what is the succession plan?. We were in Crossroads.
- So identified a partner who can buy equity and who has a synergy with Landmark's idea and concept. Kind of a cultural fit. Sold 76% equity to Trent, Tata Sons company that runs

The Story of Landmark

WestSide stores in August 2005. This gave protection of brand, staff welfare assured and a Cultural fit. Corporate environment. In 18 years Landmark built 3 stores. In 2 years post equity sales they built 6 stores and many more are in pipeline.

- This provided them the opportunity to own the entire chain, especially with their distributorship and now Landmark is into publishing as well. Used Tata Network for getting premium mall positions, pay market salary. Idea is to become No.1 bookseller in India.
- Entered into a Tie up with Taj Group of hotels to open many boutique book stores in the coming months

Other points:

- 80% sales came from old books
- In India pure book stores won't work from commercial angle. Book buying has to be made into a shopping experience for the whole family. So a Multi product store format works which provides Pure entertainment for the entire family. Margins-wise books might still do the best.
- A good booklover is likely to be a good music lover – but vice-versa may not be true ☺
- Vernacular Titles are still a pocket in India. Today Price and Margin are very thin in these titles, these publishers are very conservative. Once Price picks up, there is scope for them.
- Today a book Customer is 20 times more informed than the seller because of the Internet and Media.
- As you read more you realize you know less. Hema still reads vigorously every day.
- INTERNET has actually increased the scope for book stores. You research on the Internet and buy it from a book store. Landmark recommends was a mailer that worked well.
- In England they tear the last 3 pages and throw books after they read it so that no one can read the ending.
- Landmark is going to get into library rental
- Being a Women entrepreneur has been easier and opened many doors for her.

I found on the Tata story here: http://www.tata.com/trent/articles/20070411_store.htm