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● FOODCAFE

ACHAL
BAKERI

A sweet Symphony

Chairman and managing director of Symphony Ltd tells **Jyotsna Bhatnagar** about the future of air-coolers in India and how he brought a turnaround for the company by concentrating on a single product

WITH TEMPERATURES soaring to record highs as early as March and April, the summer of 2017 promises to be a scorcher. Cash registers are ringing like never before as air conditioners and air coolers fly off the shelves becoming the hottest selling white goods.

In the estimated ₹3,000 crore branded air cooler market, undisputed market leader Symphony Limited, with a market share of over 50%, is making waves with the launch of its new range of premium coolers loaded with features like digital touch screen, voice-assist, and mosquito repellent. The range,

not surprisingly, is an instant hit.

It's a perfect time to catch up with the 57-year-old Achal Bakeri, chairman and MD of the Ahmedabad-based pure play air cooler major. Scion of one of city's oldest surviving real estate families, Bakeri is the quintessential Gujarati entrepreneur, hardwired to spot new challenges and convert them into viable business opportunities. From a dream debut in the late eighties, Symphony almost went belly up a decade later only to rise phoenix-like to its present perch as the world's largest air cooler company with an astronomical market capitalisation of over ₹10,000 crore.

The venue for our luncheon is one of the

conference rooms at Symphony House, located in one of the city's toniest localities, the SG Highway. Spread over six levels encompassing 60,000 sq ft of carpet area, the state-of-the-art building is a fitting testimony to the builder genealogy Achal has inherited from the Bakeri family patriarch, octogenarian Anil Bakeri, and later honed with an architecture degree from the prestigious CEPT University at Ahmedabad and an MBA in real estate finance from the US.

I am ushered into the Symphony CMD's office on the sixth floor overlooking a lush, manicured terrace garden. Our choice of drinks settled—I opt for a chilled glass of coconut water while my host opts for a seasonal juice—we get down to chatting as we wait for lunch to be served.

In a market still dominated largely by the unorganised sector which accounts for 70-80% of the turf, several top brands are making a beeline for this lucrative space which is notching up an impressive growth of over 20% annually on the back of increasing demand from tier-II and tier-III cities. I am curious to know how Symphony has managed to retain its numero uno position. "It's simple really," laughs Bakeri. "We are compulsively, obsessively competitive."

The lessons learned from a near brush with bankruptcy way back in 2000 seem to have stood him in good stead.

Reminisces Achal, "I founded Symphony on a chance suggestion made by my father at a time when we were shifting to our new home in Ahmedabad way back in 1988. We were not able to air-condition certain sections of the house and air cooling these spaces seemed the only option. The problem was that not only were the air coolers noisy and huge, but were an eyesore. My father asked me to explore the prospect of making an air cooler which looked like an AC. Intuitively, that made business sense to me and I took the plunge. Not only did I reinvent the air cooler, but raised an ordinary commodity into a branded lifestyle product by focusing on aesthetics, design and consumer preference. My company was the symphony amidst the cacophony" The first few years were a dream run with demand outstripping supply though the cool-

ers were significantly more expensive than the local competition.

A discreet intrusion by an office attendant interrupts the reverie. We move to the adjacent conference room where our lunch has been laid. It's a sumptuous Mexican spread—crisp nachos, burritos, fresh hummus, a divine salsa, grilled vegetable sandwiches, and tacos. Bakeri serves me generous portions of the dishes, keeping a hawk eye on my plate for replenishments as and when required.

Picking up the threads of the Symphony saga, Bakeri recalls how following its IPO in 1994, "we tried to do too much and in the process did not execute our strategies well." From a single product company Symphony diversified into geysers, water purifiers, washing machines and exhaust fans. Unfortunately, the multi-product diversification did not factor in the market dynamics—the products were in segments which were widely copied and soon, rivals stole the market with cheaper copies. The result? Symphony's entire net worth got wiped out and it filed for bankruptcy protection with the now defunct BIFR.

But instead of throwing in the towel, a determined Bakeri chose to take up the gauntlet. "I realised I had bitten more than I could chew and decided to exit from the product diversification experiment to Symphony's core strength—air coolers. While our earlier game plan was many products, one market, I changed that focus to one product, many markets." Thus, began Symphony's foray into overseas markets and simultaneously, its complete exit from manufacturing. "We re-engineered the business when I realised that my mind space would be less cluttered if I was not handling manufacturing. We outsourced manufacturing to OEMs while retaining a tight control on our products, designs and raw materials," he explains. Today, Symphony is a case study for its unique and asset-light business model which has given it leg room to expand to new territories without being hamstrung by manufacturing. To strengthen its presence in lucrative foreign markets, Symphony has, over the years acquired Mexico-based Impco Air Coolers and recently, Chinese air cooler manufacturer MKE. This has enabled it to sell its products under its own brand name in over 60 countries. Symphony products have been endorsed by corporate giants including GE, Walmart, Lear Corporation and Carrefour. As on date, the company possesses the largest number of trademarks and registered designs in the international air cooler industry with a whopping 108 trademarks, 59 registered designs, seven copyrights and eight patents. The foreign acquisitions have also been made keeping in mind a market hitherto non-existent in India—industrial cooling.

"We have evangelised and created this market from scratch in India. And our future growth will tap hugely into this untapped reservoir—from factories to engineering works shop floors to chemical and textile factories where air conditioning is neither feasible nor economical, large spaces can be air cooled to provide comfort to workers," Bakeri says.

The shrewd businessman has also spotted a potential market in vast spaces of temples, marriage halls, cattle sheds, poultry farms and green houses. And the biggest brand endorsement that Symphony industrial cooling has received is that it has not only executed India's largest eco-friendly air cooling project at Baba Ramdev's Yog Bhavan at Haridwar, but also the world's largest air cooling project at the Mecca Complex in Saudi Arabia.

Our meal is almost over. There's a delicious unbelievably airy mango mousse for dessert. So what does the owner of a company, rated as one of the best-performing stocks of the decade 2005-2015 alongside Infosys, aspire for in the not so distant future? His reply stuns me. "To steer it to greater heights before handing over the reins to a professional CEO and board." Father of two daughters, neither of whom have any aspirations to pick up the baton, Bakeri happily looks forward to a day when he can roam the world with his spouse, anytime, anywhere, on a one-way ticket sans any baggage of commitments!

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