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## 'Entrepreneurship great idea during slowdown'

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CHENNAI: You and I might wonder what really could come out of an investment of Rs 400. But, it was the seed money with which M Mahadevan ventured into his maiden bakery business two decades ago, now known to everyone as Hot Breads and built the Oriental Cuisine empire.

"I came to Chennai from Udumalpet with just Rs 400 in my pocket. I started business with 4 chefs," Mr Mahadevan began, setting the tone for his talk on 'Spice it up: Creating a Food Business' at an ET in Campus event at MOP Vaishnav College for women in the city on Wednesday.

Today, his food, bakery and restaurant business spans across 16 countries with 171 partners (of which 61 are women) and employs 4,000 people. It churns out Rs 140 crore in revenues annually from its global operations and Rs 90 crore from India. Peppering his speech with anecdotes, Mahadevan kept the 500-strong audience glued to his words for nearly an hour.

"Find advantages in adversity," he said, reinforcing the entrepreneurial opportunities that a slowdown creates, but cautioned it was also important to "do your homework" and check if the cost economics of the deal was right. He went on to cite the example of a bakery that he recently took over in a London high-street at less than a fourth of the price it was commanding during the boom period.

"The ability to run the enterprise is an art everyone can cultivate," Mr. Mahadevan said, highlighting some of the important lessons to remember as an entrepreneur — find a niche, learn to innovate, be adaptable, be lean and mean and keep your commitments.

"When I landed in the JFK airport in New York, I saw a big advertisement of Apple Computers with an image of Gandhi saying 'Think Different'," Mahadevan said. It was this that spurred him on to think, if a McDonalds could sell samosas in India, why can't an Indian sell Arabic bread to Arabs, before he set up shop in Dubai. Outside India, Hot Breads now has 22 units in UAE, 18 in USA, one each in Botswana, Canada, Nepal, Kuwait, Canada, Bangladesh and Paris.

Reiterating the importance of giving customers their due, he related another anecdote about how Hot Breads did not increase its prices in the US, despite flour prices shooting during the recession. As a result, the chain was able to retain all its customers who stayed on with the brand since it was one of the few chains that stuck to its original pricing.

He also said it was important to take care of your commitment towards ones' employees and talked about how employees were always absorbed in other outlets when he has to right sizing of operations.

At the end of the talk, students came up with interesting questions ranging from whether diversification is possible in the food business, what were his learning's from some mistakes committed and whether entrepreneurship was viable during such recessionary times, for which they found answers from his own experience.

