

TRADE SECRETS

# Business of being friends

Radheshyam Agarwal and Radheshyam Goenka, who set up Emami Ltd. in 1974, are the 'Jai-Veeru' of business, feels **Subhro Niyogi** as he asks them what makes their partnership click

*Yeh dosti hum nahin todenge  
Todenge dam magar tera saath na chhodenge...*  
— Sholay'



ALL FOR ONE: Radheshyam Agarwal and Radheshyam Goenka

Meet the Jai-Veeru *jodi* of India Inc: R S Goenka and R S Agarwal, founders of Emami group. Best buddies since childhood, six decades later, the friendship is still going strong. Along the way, they've built a business empire from scratch and taken on mighty adversaries like Gabbar Singh.

Agarwal is Veeru in the unique partnership. Gregarious by nature, he is an extrovert like the character played by Dharmendra. Goenka is Jai, his introvert nature and quiet persona perfectly matching Amitabh's portrayal in the blockbuster. "Their personalities complement and supplement each other perfectly," remarks ad guru Alyque Padamsee, who has known the duo for years.

Agarwal and Goenka met in Sri Maheshwari Vidyalaya in Burrabazar in 1953. Agarwal was 11 and in Class VI, Goenka a year younger was a class his junior. A common friend, Hariram Poddar, who was Goenka's neighbour and Agarwal's classmate, introduced the two. They hit it off instantly. Soon, Agarwal began frequenting Goenka's home. In the evening, they would hang around at Goenka's father's shop. One could almost hear them hum "*Khaana peena saath hai/ Marna jeena saath hai...*"

"RS was always good in studies and would mentor me. He was a voracious reader and had a very sharp memory. A single read was enough for him to memorize," recounts Goenka, who still marvels at his friend's photographic memory.

Goenka was shy and timid, quite the opposite of the boisterous Agarwal. Goenka was in awe of his all-rounder friend who excelled in studies and games. Agarwal captained the cricket, football and hockey teams. In later years, Agarwal evolved into a poet. "He can write a verse in a jiffy," says Goenka, marvelling over how his friend creates magic with words.

Though the two had contrasting personas, they had more than just the name 'Radhe Shyam' in common. They shared the same zodiac sign, Aquarius. "We nearly shared the same birthday. Mine is on February 18, and Goenka's is on February 19. So we celebrate our birthday over two days. When mine is over, his begins," Agarwal says with a chuckle.

If that isn't coincidence enough, their wives share the same year and month of birth. Hang on, there's

more: both have three children — one daughter and two sons. Their daughters are their eldest children. Even their sons-in-law share the same first name, Raj! "None of this was planned. It was preordained," Goenka says with a genial smile.

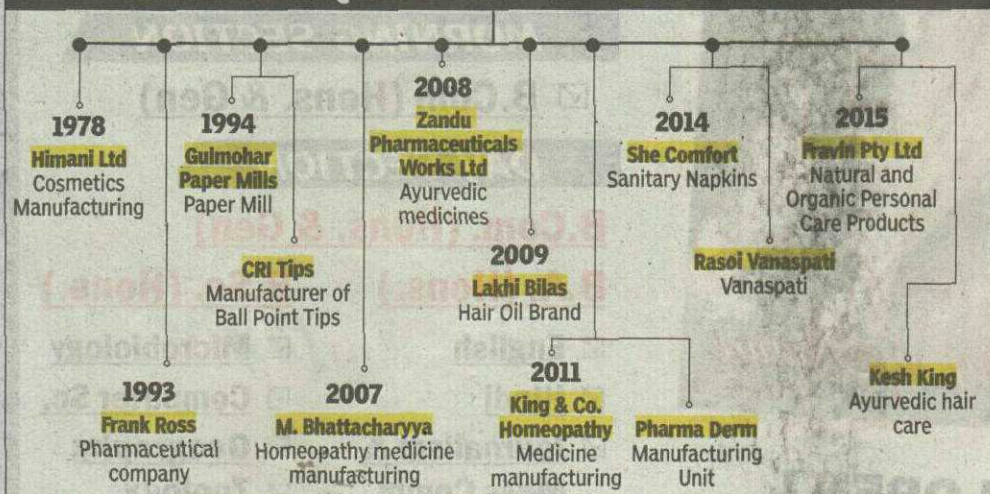
Back to their boyhood days, the RS (Agarwal) and Radhe Shyam (Goenka) enjoyed hanging around at the tiny fancy goods store in Burrabazar's Khengra Patti that Agarwal's father, Bansi Lal, owned. The shop retailed women's cosmetics. The products and

and company secretary

While in college, the duo would spend hours at second-hand bookshops on College Street, reading books on chemical formulae for cosmetics. They wanted to manufacture the products that were sold in Bansi Lal's shop and had a good demand.

In 1968, they first ventured into business, starting with a princely sum of Rs 20,000 provided by Goenka's father Keshardeo. Agarwal was 26 then, Goenka 24. A 50:50 partnership was forged between the two and

## LIST OF ACQUISITIONS BY EMAMI GROUP



the customers fascinated them. It was here that the seeds of their future business were sowed.

Unlike most Marwari boys who dive straight into family business after school, Agarwal and Goenka went to college, the former to St Xavier's and the latter to City College. Both are bachelors of law and masters of commerce. Agarwal is also a chartered accountant

Kemco Chemicals was born.

"We began with vanishing cream, talcum powder, toothbrush and other products under brands like Bulbul, Kanti, 555 etc. But it wasn't much of a success and the capital was soon wiped out. We were crestfallen and wanted to quit," recalled Agarwal.

Keshardeo, who had immense faith in the two



'children', would hear none of it and offered another Rs 1 lakh, urging them to begin afresh and use the money wisely. The two were back in business. Wised by the previous experience, they did decently for the next decade, repackaging low-cost cosmetic products.

Once the duo got married (Agarwal to Usha and Goenka to Saroj), the added responsibility meant they needed a fixed income. Thus when an opportunity came by, they joined the Birla group and worked for five years. Agarwal rose to the post of vice-president in the Aditya Birla group and Goenka headed the income tax department in the KK Birla group.

Though comfortably placed, both yearned to be back in business, not simply because they could hit the jackpot if they got the formula right but also because they wanted to be their own masters. Most of all, they wanted the excitement of the partnership back in their lives.

Agarwal, who had read several books by marketing guru Philip Kotler, itched to put the knowledge in practice. Instead of focusing on multiple brands with no identity that they had done before, spreading the precious resources thinly, they needed to drive a single brand with all the might. They finally quit and launched a business under the Emami brand in 1974.

"Emami is derived from 'amami', an Italian word that means 'love me'. It has a zing and fitted perfectly into the cosmetics business," explained Agarwal.

Before long, Emami products were flying off the shelves. The quasi-Italian name made the brand sound like an imported one. At a time when talcum powder and cream were sold in tins, Emami's blow-moulded plastic containers with photo-tone labels became a craze. Demand skyrocketed, propelling Emami to the big league. It was soon competing with behemoths like Lakmé and Ponds. Barely two years after launch, Emami took market leadership. "We ensured that there was no compromise on the 5 Ps: product, packaging, pricing, positioning and promotion," Agarwal explains.

Next, they bought the Himani brand and launched Boro Plus antiseptic cream, again in plastic tubes. It, too, became a category leader. But it was the acquisition of Zandu — a coup of sorts — that brought the spotlight firmly on the company. "We knew the way to quickly grow in size and add depth to portfolio was through acquisitions. Zandu gave us a national footprint," says Goenka, who steered the takeover deal.

The acquisitions continued. The Emami brand now straddles diverse fields, from healthcare to cement and real estate to paper to art. The friends now command a group with a gross turnover of Rs 9,000-Rs10,000 crore and an employee count of 27,000. A large number of them are in Bengal, infamous for labour trouble. But the group has not encountered a single day's strike or lockout.

"The problem occurs when owners leave the managing of business and addressing labour problems to others. Also, if you want to be rich, make employees rich. If you exploit employees, it will become a problem. Treat employees as partners," Goenka says.

All the while, the bond continued to strengthen. The key to the longevity of their friendship, says Agarwal, is the aptitude and art of giving and not taking. "The only thing we take, and we do so jointly, is decisions," said Agarwal. Thereafter, Agarwal ideates and monitors while Goenka activates and executes. Two years ago, Agarwal shifted to a chic bungalow off Ballygunge Circular Road. The name of the residence is Advaita, which means 'not dual' and signifies his relationship with Goenka.

There is no 'I' in their relationship. Whenever they say 'I', it actually means 'we'... the way Jai and Veeru used to say 'hum' and not 'mein' in the movie.