

# No company can be bigger than its customers

Berger Paints Bangladesh's Managing Director Rupali Chowdhury says at The Daily Star's The Chief Executive Show powered by Marico

DWOHA CHOWDHURY

Named after the late 18th century European chemist Lewis Berger, Berger Paints is on a never-ending quest to create innovative products.

The brand has become synonymous with paint for the masses as the company continues to grow with thousands of employees worldwide.

But according to Berger Paints Bangladesh's Managing Director Rupali Chowdhury, a company can never be bigger than its customers.

"Even though we keep growing, the consumers should never feel that we've outgrown them. We should always remain humble and help them to solve their problems," she said.

Chowdhury, who has been the managing director of the country's biggest paint brand

Chowdhury also believes that companies must be diversified in core areas while expanding or branching out their operations.

Berger noticed that at the time of painting, defects of a building get detected. So the company thought of how to solve the problem beforehand.

This led to the formation of a joint venture in 2018 with the UK's Fosroc International -- the world's leading construction chemical manufacturer.

Berger also initiated separate joint ventures with Sweden's Becker Industrial Coatings Holding to offer coil coating for its consumers and Japan's Chugoku Marine Paints to become the country's first marine related paint manufacturer.

"To improve your business, you need to consider the path that's related to the needs of the consumers you're presently serving," she added.



Rupali Chowdhury

companies in three foreign nations, various governments and stakeholders.

"There must be trust between two parties and as a leader you have to gain the trust so that the stakeholders can be assured of future bonding, transparency and free-flow of information," Chowdhury said.

As managing director of Berger Paints Bangladesh, Chowdhury mainly needs to deal with three nationals -- Swedish, British and Japanese.

Culture is very important while negotiating with foreign countries, she said.

"Before negotiating, knowing the fundamentals like strengths, weaknesses, market size and investment is important," she said, adding that compromises may be necessary when there are intangible benefits to be gained.

"Whatever you want to achieve, you have to say it loud and clear."

Berger holds 48 per cent share of the country's painting and coating industry, which is valued at Tk 4,000 crore. Still though, the company is on a mission to increase its turnover by 100 per cent every five years.



Chowdhury believes equal importance should be given to all functions of an organisation.

"Sales and marketing are the frontline of a company but no function is less than others. It all depends on making time-befitting initiatives," she said, adding that cross functional change is important for everyone to get a fair idea of the job.

With net sales of around Tk 1,882 crore, Berger achieved 6.13 per cent growth in its sales volume for the year that ended on March 31, 2020. Even though Berger now faces its most unprecedented economic stalemate due to the ongoing coronavirus pandemic, this is a test for its leaders.

Berger has its retained earnings and not mandatorily has to rely on day-to-day cash

flow. So Chowdhury is more concerned about making strategies for the mid and long terms.

She said the company assured around a thousand of its employees that there would be no job cuts. They also provided financial aid to the painters and safety gears for all.

"There was no business, but we were looking at the channel members. If they remain healthy and alive, then comes the question of business," she said.

And within two months, Berger managed to find a way to advance.

"By June, we'd created the operating protocol and even though uncertain demand was forecasted, we got a strong hold of it," Chowdhury added.

Amid the Covid-19 fallout, she was not just concerned for Berger but for the industry as a whole in her capacity as the president of Bangladesh Paint Manufacturer's Association.

"We've assured the government that large companies like us can survive but the question was of supporting medium and small companies who are struggling," she said.

"Not only those manufacturers, dealers are also struggling and these are bigger issues that needed the attention rather than my own company," she added.

Even though Chowdhury is leading several companies and organisations, her journey to the premier position was not planned during her youth.

She graduated with a degree in chemistry from Chittagong University and had no idea about business until she got admitted in the IBA of the University of Dhaka.

"That was the turning point. I wanted to become financially independent and completing your MBA means you are up for joining a commercial organisation," she said.

Her biggest career boost came from Ciba Geigy (Bangladesh), a Swiss multinational pharmaceutical and chemical company, where she worked in planning information control and product management for six years.

In 1990, she joined Berger in Chatogram as planning manager.

READ MORE ON B3

*"Even though we keep growing, the consumers should never feel that we've outgrown them. We should always remain humble and help them to solve their problems."*

since 2008, shared her thoughts during the third episode of The Daily Star's The Chief Executive Show powered by Marico.

Having joined the Kolkata-based company in 1990 as planning manager, Chowdhury achieved one success after the other as Berger continues to flourish under her strategic leadership.

"When you are growing, you have to make sure that the organisational structure is free from bureaucratic red-tap," she said.

Since Berger aims to delight its customers with excellent products and services, the company aims to meet its consumers' needs within the fastest possible time.

Chowdhury went on to say that when a business grows as per the needs of its consumers, aligning the organisation with its goals is a difficult task.

"Results must be delivered -- not in terms of just numbers but in behaviour, consumer delight, product satisfaction, innovation and everything," she said.

Chowdhury also holds several other notable positions, such as managing director of Jenson & Nicholson (Bangladesh), director of Berger Becker Bangladesh and director of SMC Enterprise.

She shared some tips on the art of negotiation from her experience of working with partner

## Brokers should be allowed to issue bonds

Suggests Bangladesh Bank governor

STAR BUSINESS REPORT

Brokers should be allowed to issue bonds so that they can help increase liquidity in the stock market, according to Fazle Kabir, governor of Bangladesh Bank.

Kabir made this suggestion in response to a request from Professor Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC).

Islam had sought liquidity support for the capital market, particularly for stock brokers and merchant bankers that are burdened by excessive negative equity.

When investors buy shares by taking margin loans from brokers to add to their own funds, the stock's price tends to drop to such an extent that its value remains under the loan amount and becomes negative equity.

This discussion between Kabir and Islam took place on Sunday at the central bank's head office in Dhaka. A number of officials from both organisations attended the meeting as well.

Quoting the governor, a senior Bangladesh Bank official said a package for the country's lenders has already been announced, allowing each to set up funds worth Tk 200 crore through repurchase agreements.

The fund would not be accounted as market exposure, meaning there would be no limit on how much a bank could invest in the market from this fund, according to a Bangladesh Bank notification.

There was a scope to form funds with a total value of around Tk 12,000 crore but only 15 banks formed the fund while the rest failed to follow suit, said the central bank official.

READ MORE ON B3



These women are among some 1,100 others becoming self-reliant by making handicrafts in their free time at Bogura's Sherpur upazila. They collect raw materials like palm leaf, kans grass, palm and jute fibres from BD Creation to make a variety of products like hamper baskets, floor mats and rugs of different sizes. The company exports the products to some 82 countries, generating valuable foreign currency for the country. In turn, each artisan earns between Tk 3,500 and Tk 10,000 a month, depending on the number of orders carried out. The photo was taken from Hapunia village of the upazila recently.

MOSTAFA SHABUI

# Battery market swells riding on fast-expanding easy-bikes

SOHEL PARVEZ

The rapid expansion of electric three-wheelers, popularly known as easy bike, has opened up huge business opportunities for battery manufacturers and traders in Bangladesh.

The annual market for batteries is Tk 8,000 crore and easy bikes consume more than 60 per cent of the market, two leading industry operators said.

Automobiles and solar home systems use the rest.

"It is huge. Battery demand has more than doubled in rural areas than metro areas. The segment has expanded in the last six to seven years," said Munawar Misbah Moin, president of the Accumulator Battery Manufacturers and Exporters Association of Bangladesh.

The market for rechargeable lead-acid battery had been stagnant or sluggish for years owing to the slow expansion of the use of cars and other vehicles in the country, said a senior official of one manufacturer.

The spread of electric three-wheelers, which are yet to get any formal recognition from the

government and mainly run by permissions secured from local government authorities such as municipalities, has given a big push to battery manufacturers and marketers.

Run by rechargeable batteries, the easy bikes mushroomed in the last decade in district towns and rural areas because of their rising acceptance among the people of all ages.

Moin, a director of Rahimafrooz, one of the leading battery manufacturers, said there are around 10 lakh electric three-wheelers and they require nearly 25-30 lakh batteries annually.

These vehicles have created jobs for 15 lakh people and carry nearly one crore people every day.

The electric three-wheelers are replacing rickshaws as the main mode of transport in towns and rural areas. "Now, very few rickshaws could be seen," said Md Sazedur Rahman, chief operating officer for the battery unit of Panna Group, another leading battery manufacturer.

He said batteries are also used in rickshaws and three-wheeler vans that used to be run



### KEY TAKEAWAYS

Tk 8,000 crore annual market of lead acid battery

Market grows by 15 per cent

Demand from easy bikes drives the growth

Unorganised and illegal manufacturers enjoy a big portion of the easy-bike battery market

Country has nearly 10 lakh easy bikes

Illegal recycling of battery threatens environment

manually in the past.

An easy bike requires five batteries and a battery usually has 10-12 months of service life. Companies including Panna Group usually offer a six-month warranty.

Because of the requirement for replacement and the increase in the number of electric vehicles, the demand for batteries will grow.

"It appears the market would double in the next five years," said Rahman, adding that the market is growing by 15 per cent annually.

To tap the new market, existing manufacturers have expanded their production capacity.

Panna Group, which can produce 80,000 batteries a month for easy bike apart from 200,000 automotive batteries, is putting in place facilities that can make another 50,000 batteries for easy bikes.

Two more companies have made their foray into the segment in the last five years, Rahman added. Yet, organised players face competition from informal and illegally manufactured batteries.

READ MORE ON B3