

→ We started out with selling assembled computers. In 1998, I and two of my friends, Alkesh and Rajesh Agarwal, began a business in assembled computers with just ₹50,000. We bought components, assembled computers and delivered them to the clients – all by ourselves. Gradually the work picked up and we created a team. Competition in the assembled computers market was fierce and the growth in the business was not to our complete satisfaction.

#### MARKET RESEARCH

Cartridge refilling and laptop repairing are among the most preferred opportunities in the IT-enabled business services. Though the market is at a nascent stage in India, globally this industry is growing rapidly. The printer cartridge market is around ₹3,000 crore in India with the growth rate of around 18-20 percent.

#### ENCOUNTER WITH THE OPPORTUNITY

All our computer or printer customers enquired if we could also supply refilled cartridges. As we were not into the refilling business, we used to get it done

from some local vendors as a service gesture to our customers. But they often complained of cartridges spills and leaks. Their annoyance with the refilling job was palpable. We discussed the issue with some vendors, but did not find a satisfactory resolution of concern. This set us out on a search.

We soon realised there was none in India, during that time, to provide professional services in printer cartridge refilling. We got curious and interested. The cartridge refilling industry was altogether unorganised and left much to be desired in terms of quality.

Original equipment manufactured (OEM) cartridges were overpriced and most clients sought low-cost alternative. Seeing this as an opportunity, we explored a possible way out. We approached some companies doing similar work abroad

and offered to be their counterpart in India. However, the investments they demanded were out of our reach. But this did not stop us.

With initial investment of ₹5 lakh we started out on our own. To crack this issue, we undertook industry research, visited Germany, Taiwan, Korea, China, Singapore and gathered information on companies that gave training, besides tools, machines and raw material, on undertaking cartridge refilling at industrial level. We gathered R&D from industry leaders, undertook training, and developed our own business manuals and training modules. At the end of it, we had exhausted our last penny.

#### FIRST STORE

Samit Lakhota, our friend and partner who had earlier also supported us financially, infused funds into our

# Re-feel: Success Through Perfection

**BEFORE STRIKING SUCCESS WITH RE-FEEL CARTRIDGE STORE AND CLUBLAPTOP, AMIT BARMECHA, CO-FOUNDER AND DIRECTOR, HAD BEEN PROVIDING IT HARDWARE AND SOFTWARE SERVICES FOR ALMOST A DECADE. HIS COMMITMENT TO CUSTOMER SERVICE AND DRIVE FOR EXCELLENCE SET HIM ON A COURSE LEADING TO INCEPTION OF THE TWO BRANDS. BARMECHA SHARES RE-FEEL AND CLUBLAPTOP'S UNIQUE STORY WITH CHANDRA PRABHA**





business with which we bought machines, components and raw material. Now we were to decide whether to start our own store or go for a franchised one. The challenge was if we set up a franchised store, we were still required to own a showroom as a working operating model to win the prospect's confidence in our business. But we did not have any money to invest in raising a store or showroom.

Fund constraint forced us to go for franchise model of business operations, and we worked out our business model ourselves. We decided to find a franchisee to open our first store. The same day one of our friends told us that he knows someone who is looking to buy a franchise of an MNC in cartridge refilling. We met and showed him everything about our business and shared our vision.

Our first franchise prospect was impressed and liked our proposal and we finalised our first showroom in Kolkata. This was our major business breakthrough. After the launch of our first store, we signed up for our second franchisee in Guwahati, and a third one in Jaipur.

It was a challenging task for us to set up a franchised business model of printer cartridge refilling. We were new to both, cartridge refilling and franchising. Though we were technically sound and at par with international know-how, our concern was to deliver a good



## FRANCHISING IS ONE OF THE SAFEST WAYS TO START UP AND RUN A SUCCESSFUL BUSINESS

business model to our franchisees. We analysed case studies of a few international companies and made a business model for Re-feel. Initial few franchisees were directly handled by the management, which offered us a good learning.

### ON FRANCHISING

For a company that only has franchised stores and no owned outlets, business success is special. Our first three franchisees helped us establish our credentials. This encouraged us to participate in franchise exhibitions, which took us to other cities of the country.

I personally feel business franchising is one of the safest ways to start up and run a successful business. We shared the profits with our franchisees and supported them in every aspect of the business. Also, I feel if you start your own stores you have to monitor all operational aspects yourself. But in franchised operation, you are partnering with another entrepreneur and this gives you time for further development. From the very first store, our focus

has been on improving sales for our franchisees. We consider our franchisees as our brand ambassadors.

Once we made success with Re-feel, we launched another model, again in an unorganised industry, where people sought professional services for laptop repairs at a reasonable price. ClubLaptop, the laptop service specialist, offers a one-stop solution for repair of laptops and accessories of all brands. Today, it stands out as a better alternative to the authorised service centres for affordable pricing, service turnaround time and quality.

At ClubLaptop, a customer can save up to 60 percent on his laptop repair cost in comparison to OEM service centres. We use high-quality components. With service, trust, knowledge and technology forming the core brand differentiators, ClubLaptop established itself as an organisation with superior solutions and growing customer base. Through franchising we target to establish Re-feel and ClubLaptop stores pan-India and set quality benchmark in otherwise unorganised market.

We support our franchisees at all touch points of brand and business from store management, daily operating procedures, raw material/spares, and logistics to technical help, lead management, mass advertising, staff recruitment and site selection. In my view, we have taken care of all aspects of a successful franchise business. We have designated teams to take care of various departments. This facilitates quick response time. We have our ERP system in place



which unifies all logistics, order placement, stocks, accounts, laptop repair details, material inflow/outflow, customer database into one single portal.

### FRANCHISE SELECTION AND TRAINING

The unique nature of the franchisor-franchisee relationship necessitates franchisee selection with a view of long-term commercial interests of the two sides. However, for a start-up, franchisee selection and recruitment processes are often not completely defined. At Re-feel and ClubLaptop, some of the important criteria we follow are as follows:

- Detailed information of the person looking to take the franchisee
- Multi-stage discussion with the franchise prospects before recruitment
- Capital adequacy with the prospect
- Long-term relationship
- Consonance on location selection
- Aptitude for marketing
- Communication skills
- IT skills or the ability to employ IT-skilled people

Training is the most important aspect of the franchised business model and we have scientifically designed extensive training programme that takes franchisee and his staff through the technical and business development stages of our business. During the eight-day training at Kolkata headquarters, we guide our partners in technical, troubleshooting, marketing, administrative, accounts and store management. After finalising the location, we give them the store layout which is processed locally by the franchisees and SOPs.

Since people expect uniform service, quality and ambience across all stores of a brand, it's very important to maintain these aspects of retail operations. We support our franchisees in maintaining these aspects. For us each franchised outlet is the face of the company.

### CUSTOMER SATISFACTION

At Re-feel we use cutting-edge technology and state-of-the-art equipment that ensures quality at par with OEM. We offer our customers

100 percent money back guarantee on our products and services besides free pick and drop facilities. We follow our slogan of "save money, save nature," and keep our customers informed on the best industry practices. Cartridge refilling and laptop repairing not only saves money but is also nature friendly as it reduces e-waste.



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Store layout and visual merchandising too play a significant role in drawing the customer. The new-gen customer prefers to walk into a store that has clean, organised and comfortable ambience and provides satisfactory resolution of issues. Price is secondary to this consideration.

### BRAND DEVELOPMENT

Referrals from existing franchisees worked for us. Backed by a strong support system and a successful business model, some of our franchisees opened multiple outlets and influenced their near and dear ones to join us.

In addition to this, Bennett & Coleman & Co Ltd (BCCL) was our media partner. They allocated ₹15 crore for brand building, creating awareness about the concept and building the brand on a national level. Within a short span of one and a half year, we became India's leading printer cartridge refilling chain with over 80 stores across India. After we finished our contract with BCCL, we

got a funding of USD 5 mn (₹25 crore) from TLG Capital in 2010, a UK-based private equity firm. We are using these funds to expand and support our franchisee network of both Re-feel and ClubLaptop.

Now we have 130 stores across 85 cities in India. We aim to take this to 300 stores and appoint 2-3

international master franchisees by 2014. The total investment required in each of our 200-300 sq.ft. store is around ₹5-7 lakh. We have already done a few pan-India contracts with a big corporate and expect this trend to grow. We are also looking for expansion in the international market. We plan to set up our venture in Sub-Saharan Africa and replicate our success there as well.

### SUCCESS FACTORS

The success of Re-feel and ClubLaptop can be attributed to various factors. First, it provides customised and cost-effective solutions in the areas of printing, cartridge refilling and laptop repairs, which has big and growing market. Secondly, it keeps on updating its business models and incorporates technological advances with time. Thirdly, it updates franchisees regarding the same by providing them training and support. Finally, we keep our franchisees informed on the developments taking place in our industry. ❌