

Kanhai Foods Pvt. Limited

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Shashank Chokhani, Director of Kanhai Foods Private Limited, Ahmedabad, looked at the computer screen as the latest figures of performance of the company rolled before him. He was happy that his clients included some of the very best restaurants, coffee houses, and hotels in Ahmedabad, besides some well known institutional buyers. Kanhai Foods had become the largest bakery chain in Gujarat in a relatively short period of 15 years. It had built 21 own sales outlets called KabhiB in 12 cities in Gujarat and in addition had over 5000 distributors. It had also set up five KabhiB Bake Studios in five cities in Gujarat. It was the largest player in the organized bakery market (Exhibit 1) and Kalory was a well-known brand in Gujarat for egg-less bakery products (see Exhibit 2 for a list of products).

Shashank was now considering various options to enter the pan Indian market, which was growing very fast. He noted that bakery chains from abroad were keen to enter the Indian market. He was also examining the possibility of reaching the markets in the Gulf countries where there was a very large Indian expatriate population.

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As he reviewed the operations of Kanhai Foods, Shashank felt nostalgic about the early days. He was the first to conceive the idea of marketing bread and other bakery products without egg. It was a “small” innovation that had catapulted the company into the market leader today. Being born and brought up in Ahmedabad, the nuances of the predominant culture of the state of Gujarat and his own community (Marwari) played a major role in his thinking and decision making process. It led to a range of products (Exhibit 3) that many consumers are grateful today – egg-less bread and other bakery and patisserie products, which vegetarians could consume without feeling guilty. This was not the case before he entered the market, since good quality pure vegetarian bakery products were not available earlier.