

Indo Rama eyes retail, inks deal with US co

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INDO Rama's plans of a retail foray are finally coming to fruition. The polyester yarn major has signed up with US-based office products chain, Office 1 Superstore International, to be their master franchisee for India.

Office 1 sells office products including small business machines and office furniture through self-service superstores, direct mail and telemarketing. The deal could take the shape of an equity joint venture once the FDI policy on retail becomes clear. Indo Rama will have a majority stake if that happens, sources said.

When contacted, the company spokesperson declined comment. "There was a proposal some time back and Vishal Lohia was supposed to handle the project, but we don't have any details now," he said. OP Lohia, CMD Indo Rama, who is travelling abroad could not be reached.

The company has, however, begun recruitment for senior positions and the hunt is on for a CEO. Headquartered in Palm Beach, Florida, Office 1 operates through a franchise model and has a presence in 25 countries world-wide with more than 350 stores. With new stores opening every week, it is one of the fastest growing companies in the retail office products business.

Under the Office 1 franchise model, the master franchisee purchases co-operatively at the lowest available prices for his stores and his sub franchises, and sells under the Office 1 umbrella in an attractive self service environment, assisted by a colourful promotional brochure — the company's main advertising and selling vehicle. Retail sales will be done through large superstores owned by the master franchisee and mini-superstores owned by his sub-franchisees.

It is however, not clear what shape the retail format would take in India. During the last few years, Office 1 has shown keen interest in Asia.

It entered China last year with a sourcing office and targets 750 stores world-wide by 2008 spread over 35 countries.

With all eyes turning to India now, it has become an obvious destination for global retailers. For Indo Rama, the move is the realisation of its grand plan to enter the retailing space.