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PepsiCo Ropes in Shivakumar as India CEO

Former MD of Nokia India to take up the post left vacant by the exit of Manu Anand in June; Co also elevates Gautham Mukkavilli

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NEW DELHI

US food and beverage maker PepsiCo on Monday named former Nokia executive D Shivakumar as its chairman and CEO for India region, a position lying vacant since Manu Anand quit in June.

Shivakumar — who was managing director at Nokia India before taking over as the handset maker's senior vice-president for India, Middle East and Africa in 2011 — is PepsiCo India's first outsider CEO since Rajeev Bakshi, who led the firm from 2001 to 2006.

"Shiv has a proven ability to take billion-dollar businesses to the next level by maximising innovation, execution and collaboration," Indra Nooyi, chairman and CEO at PepsiCo, said in a statement. He takes charge with immediate effect. ET NOW business channel broke the news before the official announcement.

PepsiCo on Monday also announced promotion of Gautham Mukkavilli, currently general manager of its beverages business in India, as senior vice-president, business transformation, for the Asia-Middle East-Africa (AMEA) region. He will oversee strategic initiatives in foods and beverages across the region with effect from March 1, 2014. Both Shivakumar and Mukkavilli will report to

Sanjeev Chadha, CEO of PepsiCo AMEA

"Shiv and Gautham will be playing key roles in driving PepsiCo's business forward in the region," Chadha said.

PepsiCo India has been operating without a country head since Manu Anand quit dramatically in June to join foods company Cadbury Kraft. Since then, Mukkavilli and foods division head Praveen Someshwar have been reporting to Chadha.

An engineer from IIT Chennai and an MBA from IIM Calcutta, Shivakumar's appointment has come as a surprise to many as his immediate predecessors Manu Anand (India head from 2010 to 2013) and Chadha (2006 to 2010) were chosen from PepsiCo's internal talent pool.

Bakshi was the last outsider CEO of PepsiCo India, brought in from Cadbury.

Shivakumar's immediate mandate at the firm will be to accelerate consumption of colas and snacks in an environment when growth has slowed down significantly.

Growth of soft drinks has slowed down to single digits as early rains cut short last summer on top of weakening consumer sentiment. PepsiCo's snacks business is facing increasing competition from national rivals, such as ITC and Parle, as well as local players.

"PepsiCo is in a challenging phase and will test

Shiv's abilities to the hilt," said Vibhav Dhawan, managing partner at search firm Positive Moves Consulting, said.

Dhawan, who knows Shivakumar well and has tracked his career, said he is a good choice to lead PepsiCo in India. "Shiv is a rare marketer who has worked both in traditional consumer and new generation mobile consumer sectors. His marketing prowess makes him a great choice for a brand like PepsiCo which targets the youth," he said.

Shivakumar, who spent eight years at Nokia, quit the firm in June this year.

Before joining Nokia, he worked with consumer electronics maker Philips and top consumer goods firm Hindustan Unilever.

During his tenure, Nokia's user base jumped from 80 million to about 900 million but its market share declined from over 70% to about 25% as Chinese manufacturers and some homegrown brands like Micromax and Karbonn eroded its market share in the entry level segment, while Samsung and Apple ate into its share in the smartphone segment.

Nokia's biggest failure under Shivakumar was missing out the dual-SIM revolution, which accounted for as much as 50% of handset sales in India between 2009 and 2010.

