

PROFILE CHANGE: NOEL & VIVEK DON NEW ROLES

Noel set to take over as Tata International MD

As the world speculates on the successor to Ratan Tata, his reclusive halfbrother is handed a major responsibility. Is he being groomed for a bigger role?

Our Bureau MUMBAI

THE role of the 53-year-old Noel Tata just got bigger in India's biggest conglomerate on the 106th birth anniversary of JRD Tata, setting tongues wagging, yet again, on it being a step in the group's succession plan for the top job.

The reclusive Tata, who grew the retail business more than 10-fold in less than a decade, will be managing director at Tata International, a leather and engineering trading company with presence in 10 African nations, a region where it wants to double revenues to \$1 billion in two years.

The Tata Group that has kept everyone guessing on the successor to Ratan Tata, the 73-year-old chairman due to retire in two years, on Thursday said, "we pledge to sustain his legacy," in advertisements commemorating JRD's birthday. It declined comment on speculation Noel Tata may succeed Ratan.

"Africa is one of the largest markets and any business plan needs to be tested there to succeed," said a senior Tata Sons executive on the move to appoint Noel to head Tata International. He did not want to be identified.

The assignment may well be a test for Noel Tata to prove his mettle to get the throne. While Tatas are a household name in India, its increasing revenues from overseas markets and highprofile acquisitions such as Jaguar-Land Rover are yet to give it a kind of an international profile commensurate with its size.

"Despite the fact that 65% of the group's revenue now comes from outside India, the Tata brand is still not well known in various countries," says business historian Morgen Witzel who has authored a book on the Tata brand. "While some know that Tatas make steel and chemicals and are into software, knowledge about them is largely sketchy overseas."

SCION RISES

Centre stage

The new role seen

as a test for Noel to prove his mettle for the top post

Share of overseas

businesses has been going up in the group's revenues

Shareholders and

management gurus are eager to learn how Ratan Tata guides succession planning

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SHAREHOLDERS and management gurus are eager to learn how Ratan Tata eventually guides succession planning. While some believe that the group requires a professional as a head instead of someone with the surname given the sprawling empire, others think that a family member could be more committed to the businesses to carry on the value system.

"The successor, I would hope, would have integrity and our value systems in the forefront and hopefully would carry on the path that we have tried to set for the company's growth," Ratan Tata told a conference in November.

Tatas are remembered by the masses as much for their hospitals, educational institutions such as the Indian Institute of Science and Tata Institute of Social Sciences, than for their businesses. Above all it needs someone at the helm to keep echoing what Ratan Tata said about remaining steadfast on the Nano's Rs 1-lakh price tag at launch. "A promise is a promise."

Nothing better reflects the group's values than what JRD Tata said, "I do not want India to be an economic superpower. I want India to be a happy country."

At the same time, the horizon has expanded under Ratan Tata with steel and automobile acquisitions in the UK for billions of dollars.

"We are looking both within the organisation and outside," Ratan Tata had told the conference. "It would certainly be easier if that candidate were an Indian national. It could also be an expatriate sitting in that position."

While no outsider is in the vicinity, Noel Tata role does appear to be growing. Unlike most business establishments, the biggest factor in the Tata House is not just profits, but values.

Last month, Noel became a non-executive chairman at Tata Investment Corp, a finance company with a portfolio of investments, including Tata Mutual Fund.

The latest appointment may be to expose him to diverse business that the critics say he lacks experience in, despite making a success out of Trent, which was just a shell company.

With giants such as Tata Steel and Tata Motors headed by professionals at the executive level, there may not be much scope for Noel Tata to get into them. But Tata International, may just be the right platform.

Its Johannesburg-headquartered Tata Africa Holdings aims to more than double the revenue to \$1 billion in two years, from \$500 million last year. It employs more than 750 people and operates in sectors such as information systems, engineering, services, materials, consumer products and chemicals. Other nations include, Zambia, Tanzania and Ghana.

Noel Tata grew Trent from a single store company in 1998, to over 90 stores across retail formats that include Westside, Star Bazaar, Landmark, Fashion Yatra, Sisley and Zara. The retailer's consolidated revenue grew to Rs 1,137 crore in 2009-10, from Rs 8 crore in 1998-99.

What could work in favour of Noel Tata may be that he has the support of Shapoorji Pallonji Mistry family which he is married into. The Mistris are the biggest shareholders in Tata Sons, the group's holding company. But there has been no official word on it either.

THE MAN

Born in 1956 to Naval and Simone Tata, this half-brother of Ratan Tata has run retail company Trent for 12 years. He began his career at trading firm Tata International and rose to become a senior general manager. His father-in-law Pallonji Mistry is the largest shareholder of Tata Sons.

HIS TRENT YEARS

The younger Tata was thrust into the job of heading Trent when retailing was at its infancy in India. With help from colleagues at group company Lakme, he opened his retail innings by taking over Bangalore-based Littlewoods, which eventually became Trent's departmental store Westside. During his tenure, Trent's turnover rose to 1,137 crore from 8 crore.

LOW-PROFILE PERSON

Mr Tata has stayed away from media limelight. He played a major role in forming Retailers Association of India along with Future Group's Kishore Biyani and Shoppers Stop's BS Nagesh. Often criticised for his slow approach, he proved his critics wrong when all other retailers, except Trent, had to close down stores and retrench employees during the downturn.

THE CASUAL MAN

Likes to unwind with his family at Mumbai's famous weekend get-away — Alibaug. "Alibaug's Kashid beach is his favourite picnic spot," said a Tata Group person. Goes for annual vacations and London, where he had spent time as a student, still remains one of his favourite destinations.

