

THE ECONOMIC TIMES

Pepsi plans a \$500-m splash here

Health Products Is The Future For PepsiCo

Our Bureau
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A TRIMMER Indra Nooyi, PepsiCo's global chairman and CEO, addressed media on Sunday afternoon as a precursor to what will be the \$39-billion cola and snacks major's first-ever executive committee meeting in India.

Dressed in a chic black ensemble and several kilos less, Ms Nooyi is clearly symbolising the healthy lifestyle she so often advocates. Announcing a fresh \$500-million (Rs 2,200 crore) investment in India over the next three years,

Ms Nooyi said the 26 members of PepsiCo's executive committee are here to see what makes

India tick.

Since Ms Nooyi took charge of the top job at PepsiCo — a company often accused of selling sugary drinks and salty snacks — she has been trying to change its complexion. The objective is to give it a makeover from an undifferentiated cola maker to a company that offers choices to every consumer.

She has been championing health products since she believes that's the future and she wants to be the first one to come up with innovations.

So, is PepsiCo set to become a company that also sells cola? Ms Nooyi seems to think so. "We want our portfolio to be balanced in India. And the challenge is to ramp up our health portfolio so fast that it is evenly divided between value-added products or good-for-you and better-for-you products, and aerated drinks and snacks known as fun-for-you products."

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India records double-digit volume growth

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GOOD-FOR-YOU and better-for-you products make up for 30% of the company's beverage portfolio. And in case of snacks, the number is as high as 80%. This, Ms Nooyi said, is the direction PepsiCo will take further to achieve a balanced portfolio.



Another issue that she has caught on to early is retaining talent. An issue that's close to her, Ms Nooyi has talked about. PepsiCo's 'talent sustainability' project in almost every public forum. PepsiCo India, for example, has given the world 27 CEOs, an 'achievement' Ms Nooyi says she's especially proud of. No surprise then, that meeting the alumni is part of her packed schedule for India. "You may get out of Pepsi, but it's hard to get Pepsi out of your system," she believes.

Speaking on the financial crisis the US is dealing with, Ms Nooyi said: "The problems of Wall Street have not yet trickled down to mainstream which is where we are. We fortunately continue to be growing at a robust pace."

She has swung into action with a pilot project which will introduce healthier foods for people ailing from malnutrition and deficiencies — these products would be made available through a public distribution system. Knowing Ms Nooyi, she would like the results of the project 'tomorrow', but PepsiCo's chief scientific officer Mehmood Khan who's heading the project said, "It's very important to get the product right. We are working on the ideal resource allocation for the project."

The fresh \$500-million investment for India will be infused, adding new manufacturing capacities, marketing infrastructure, sustainability and R&D. Elaborating on how bullish PepsiCo Inc is on India, she said the market is clocking double-digit growth in volumes.

Right after the committee meeting, Ms Nooyi will chair the high-profile ET Awards jury on September 24.