IDENTIFICATION OF ISSUES

1) Intense competition, especially (kirana) (98%)
2) Poorly developed infrastructure
3) Unique buying behavior
4) Rising real state prices
5) Political risk

'BPS' SOLUTION

- **Basic model: mini-shops**
- **Product line**
- **Supply chain optimization**

MINI-SHOPS

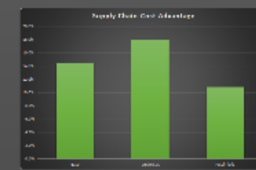
PRODUCT LINE

SUPPLY CHAIN

RISK

- High impact/low probability
  - Shift to hypermarket
  - Market rejection of the mini-shop model
  - Political resistance
  - E-Commerce takes off
  - Fresh & Easy failure in the US

Financials



TIMELINE

IMPLEMENTATION PROCESS

Success factors (measurement)

Penetration rate
Brand awareness (ST) & loyalty (LT)
Cash flow cycle (A/P, A/R, inventory)

INITIATION
JUNE 2015

ENTER TIER 1 CITIES IN THE SOUTH
JAN 2016

EXPANSION
(TIER 1)
JAN 2017

EXPANSION
(TIER 2)
JAN 2019

SUMMARY

Evolution for the front end, revolution for the back end

Janet Guo
Mayank Sharma
Muhammad Mustafa
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TESCO PLC: STRATEGY FOR INDIA
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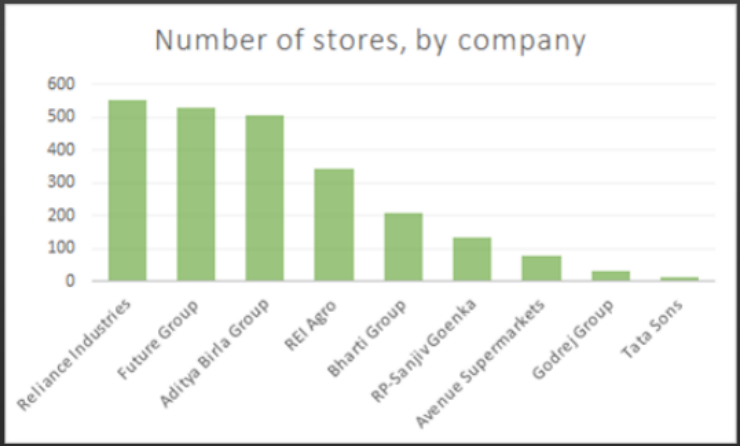

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MINI-SHOPS

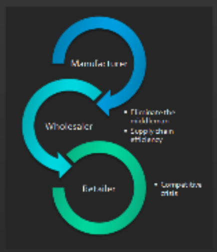
- Location
- Size
- Delivery
- More: cheap, clean, organized, fair, variety, payment options

PRODUCT LINE

- Product bundle subscription
- Customization
- Localization of food line

SUPPLY CHAIN

- Backward integration
- Partnership advantage



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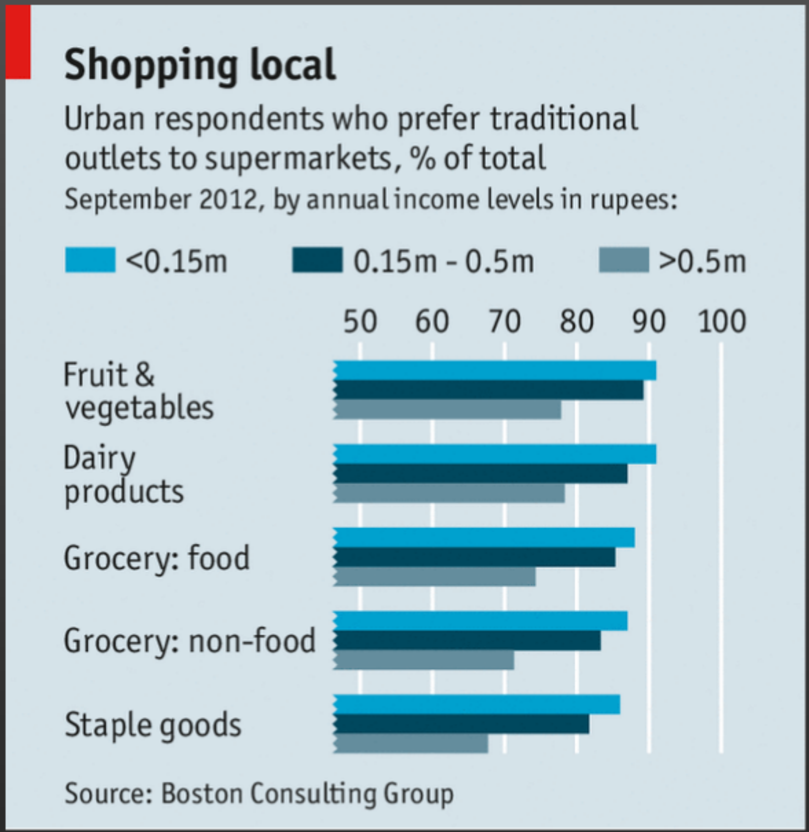

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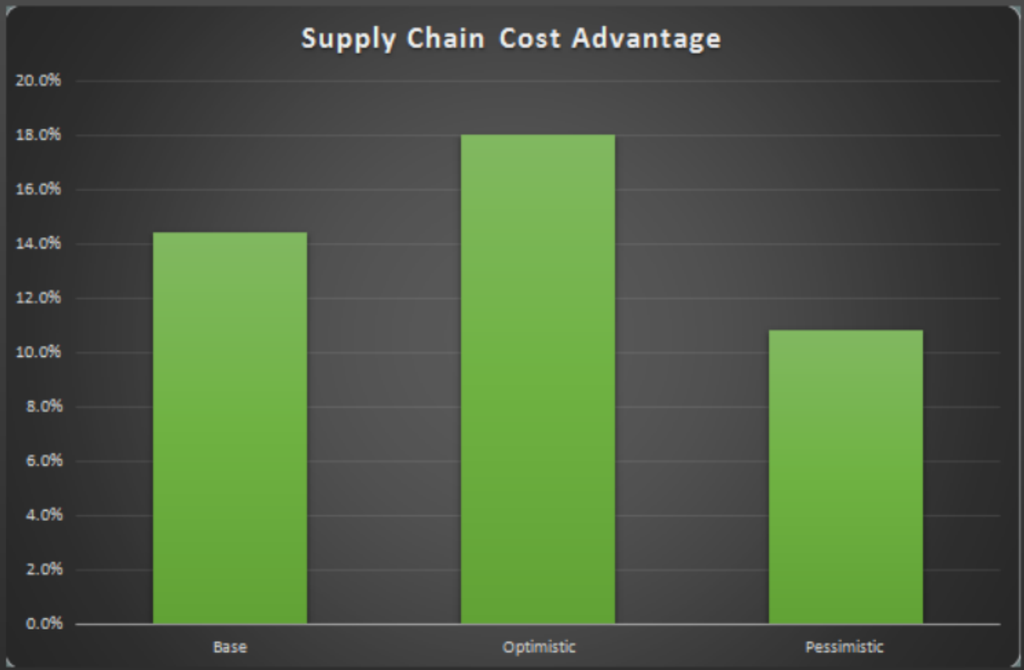
Supply Chain Cost Advantage
20.0%
18.0%
16.0%
14.0%
12.0%
10.0%
8.0%
6.0%
4.0%
2.0%
0.0%
Base
Optimistic
Pessimistic