

The write link



In an industry where branding was negligible, the Jalan family created their own unique niche. With astute strategies for production and distribution, and smart alliances, *Linc Pen and Plastics* has written new rules in this sector

Text by SUPRIYA NEWAR

The moral of their story is simple: you can go places if you've got your link right. Yes, you guessed it. We're talking about none other than 'Linc', the brand that is almost synonymous with pens and writing instruments in the country today. Linc Pen and Plastics, that was formed in 1994, today stands at a turnover of Rs 135 crore. Like several successful family businesses, Linc's story too can be traced to humbler beginnings.

TAKING A RISK

Circa 1960s-70s: A well-known trading hub of Kolkata, Bagri Market. In those days, Surajmal Jalan, the current group chairman used to wholesale pens, under the company name of Artex. However Jalan sensed the market potential for writing instruments and riding on his conviction of networking and linking as the foundation of all business, gave birth to Linc. With a capital of less than five lakh rupees, he set up a small manufacturing unit for ball point refills on Canning Street in the Burrabazar area of Kolkata.

Recalls Deepak Jalan, Managing Director, Linc Pen and Plastics Ltd, "In the 80s, when I was in college, I started taking an interest in the family business. Those days the industry was highly unorganised and wholesale-oriented. There was of course, little concept of a brand identity. When I got involved full time, the work hours were chaotic and endless, running into seven days a week with no fixed lunch hours. My concern was how I could streamline and organise our business and sector."

Linc was however, well-placed to the extent that there were no borrowings or loans and was clocking about Rs 10 crore. Bolstered by the success of his refill enterprise, Surajmal Jalan set up Linc Writing Aids Private Limited, with its first factory at Sirakol village near Diamond Harbour, on the outskirts of the city in 1984. The young Deepak soon realised that there was a genuine need to induct systems and method into the business and that the key to growth, lay in organised data, wide distribution network and increased manufacturing capacities.

BROADENING HORIZONS

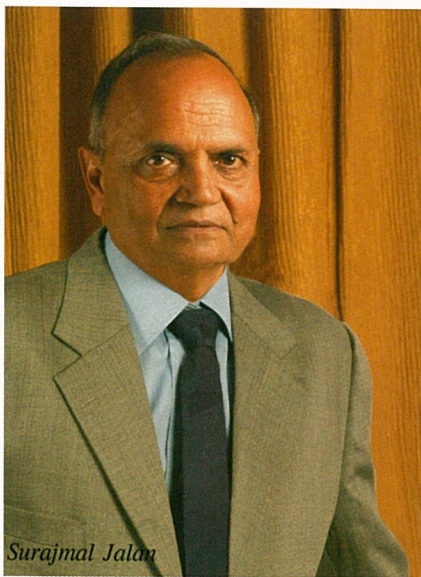
In 1995, Linc decided to expand its capacity and funded it through a maiden public issue aggregating Rs 1.51 crore. The company's post capital base was Rs 8.7 crore. With the IPO, the company got enlisted in both BSE and CSE. The IPO was followed by a unit being set up in Goa in 1996. This was spearheaded by younger brother Prakash Jalan, who zeroed in on Goa for its lucrative tax holidays as well as locational advantages and proximity to the western markets. The most significant aspect of the Goa unit was that it began manufacturing the Uniball range of pens in technical collaboration with Mitsubishi of Japan. By then, the company had already tied up with Mitsubishi Pencil Co Ltd to exclusively market Uniball writing instruments in India. Another tie-up came with Bensia of Taiwan, when Linc introduced and distributed stationery products for children.

The company achieved a breakthrough in 2001 when

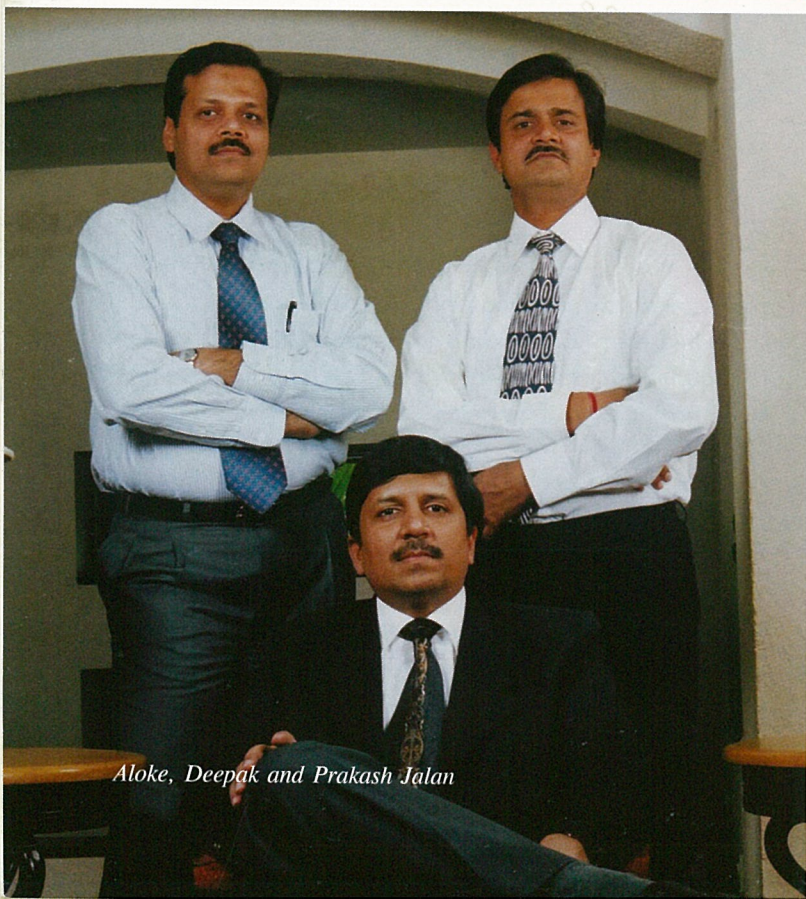
they launched their first gel pen, Linc HiSchool at Rs 10, beating the prevalent market rate of gel pens that were priced at Rs 20.

SURGING AHEAD

Meanwhile, Deepak was travelling and was taking in the trends and developments in the writing instrument industry globally. He was fascinated by the extent to which the industry had gone retail in an organised fashion. "We had a wide and diverse range of products that could not be displayed in traditional company outlets." He suggested the idea of going retail to an apprehensive board of directors. After some initial resistance, Linc made its first foray into its first fully retail initiative with a store titled, Just Linc, in the happening mall City Centre in Salt Lake. From its date of inception, Just Linc continues to attract customers and the footfalls have only grown. Between 2004 to 2006, the model was replicated in over 12 metros and semi-



Surajmal Jalan




Aloke, Deepak and Prakash Jalan

metros of the country. The success of Just Linc propagated the concept of Office Linc that sells not only pens and writings instruments, but also stocks all stationery products necessary for office use.

Whilst retail selling has strengthened the brand in the domestic market, Linc continues to expand its reach and acceptance in foreign markets with exports touching Rs 20 crore in '05-'06. The brand is stocked at Wal-Mart and has been going to over 30 countries such as USA, UK, France, Sweden and some parts of Middle East as well as neighbouring countries such as Bangladesh, Nepal and Burma.

FUTURE COURSE

Having charted growth, attained respect and gone on to becoming the top three brands in the writing instrument industry in the country, what are the future plans of the Jalans? Says Deepak, "I would like Linc to cross the milestone of Rs 500 crore and for it to become a household name with all our products available across the globe."

Swearing by the fact that people are their greatest assets, Linc is now all set to fire up retail operations in the west and south and further strengthen its hold over the northern and eastern markets. 

TRACING THE LINK

1984: First factory gets established in Kolkata under the name, Linc Writing Aids Pvt. Ltd.

1992: Company ties up with Mitsubishi of Japan to market Uniball exclusively.

1994: Linc Pen and Plastics is formed.

1995: Linc Pen and Plastics goes public.

1996: Their first unit in Goa comes up.

2002: Linc ties up with Lamy of Germany to market products exclusively in India.

2002: Goa unit gets ISO-9001:2000 certifications.

2003-04: Second unit in Goa comes up.

2004: Company receives Export House Status.

2004: Goes retail with Just Linc.

2005: Receives accolade of Emerging India Award for best SME in FMCG by CNBC TV 18.