

Starting with Rs 5 lakh he built a Rs 35 crore turnover tea chain and created nearly 3,000 franchise owners

## Description

- **Hyderabad-based Tea Time plans global foray**

Hyderabad: Hyderabad-based Tea Time, which has created India's largest tea chain with about 2,800 outlets, providing 10,000 direct and 25,000 indirect jobs, is now aiming to go global, with plans firmed up to enter Sydney, London, Dubai and Hong Kong within next one year.

Within India, the company (incorporated in 2017) plans to establish its physical offices in 20 cities and 20 villages each year and create new 25,000 franchises within next four years.

Uday Srinivas Tangella, founder, Tea Time, told Telangana Today in an exclusive interview, "We currently operate in 16 cities, 35 towns and 78 villages in 16 States. Telangana, Andhra Pradesh, and Tamil Nadu are the core markets for us. Among cities, Hyderabad is a strong market for us. Of the 680 outlets in Telangana, 260 are in Hyderabad alone. There is a potential to create 600 more in the city and 2,000 outlets in Telangana. We are aiming for rapid expansion in tier-2 and tier-3 cities."

He added, "We are a member of Tea Board of India. The tea sourcing is the major part in our business. We source tea from the premium gardens of Assam. In our office in Guwahati, we have tea tasters who have decades of experience. We participate in auction and buy tea leaves. Our tea processing units are in Assam and Rajahmundry."

Besides setting up new outlets through franchisees, Tea Time is also looking at the market opportunity where existing tea shops are converted into Tea Time outlets. So far, Tea Time has converted 30 such shops in Telangana and Tamil Nadu. Tea Time believes in creating more micro entrepreneurs in this segment.

When asked about global expansion, he said, "Our first overseas outlet is starting in Sydney, Australia by the end of 2022. The best possible way to operate is by franchising. We are starting our own outlets in London, Dubai, and Hong Kong by mid-2023."

## Market gap

While in Dubai, he noticed that there were branded stores serving beverages. At the same time, he realised that in India, there was not a single beverage brand which had recognition. There was no store where people in any part of the country could visit and have a cup of tea without worrying about quality. He was of the belief that India needs a better cup of tea.

Uday resolved to use the best quality tea leaves, milk, water, and sugar to prepare a cup of tea which would be priced at Rs 10. He realised that to be able to do this, he would have to keep costs under control. He had to cut costs on interiors and rentals and his overheads while taking care to maintain hygiene. Soon, he was able to standardise his recipe and put in place a process to make quality tea that tastes the same across locations.

### Supply chain

He knew it is important that the tea leaves reach the stores within 24 hours of an order being placed. Instead of having a centralised organisation, Uday decided to put in place a master franchisee to take care of stores in a designated region. Today, Tea Time has an agile, cost effective supply chain which ensures that tea plucked from the gardens can reach the stores within three weeks. The use of ERP, CRM and various digital technologies have streamlined the supply chain. There is an opportunity to serve 750-800 million cups of tea per month.

### Building business

Uday also has plans to include food items like cookies, biscuits, and local snacks in his stores. The plan is to generate 25 per cent of revenues through food. His business model is focused on serving the completely ignored lower end of the market.

When asked why tea business, he says, "I have a fascination for tea. People consume tea many times in a day. The day starts with tea. When we reach office, we have tea. When we are with friends, we have tea. When we are upset, we have tea. When we are trying to build a relationship, we do it over a cup of tea. Tea is an integral part of our life and is associated with human interaction."

It costs about Rs 4.25 lakhs to set up an outlet. He has been careful while selecting the franchisees. While 2,800 have been selected, some 8,000 have been rejected for various reasons such as unsuitable location.

---



## Category

1. News

## Tags

1. british tea time
2. daytime tea time
3. desi tea time
4. history tea time
5. history tea time with lindsay holiday
6. hyderabad tea time
7. tea
8. tea time
9. tea time (feat. 10cm)
10. tea time analysis
11. tea time business
12. tea time business plan
13. tea time ep 23
14. tea time founder uday srinivas Tangella
15. tea time franchise
16. tea time in hyderabad
17. tea time kulad tea
18. tea time music
19. tea time radio songs
20. tea time sajjad jani
21. tea time shop
22. tea time snack
23. tea time snacks
24. tea time snacks recipes
25. tea time tamilnadu
26. time
27. uday srinivas Tangella

## Date Created

May 16, 2022

## Author

esalemedia