

# Quick course correction holds key, says Paranjpe

Namrata Singh | TNN

**Mumbai:** The ferocity of the financial turmoil has taken everyone by surprise. Surely, companies would be in a state of introspection, searching for clues to weather the storm. Prompted by uncertainties and volatilities across the globe, FMCG giant Hindustan Unilever (HUL) is sharpening what it calls "scenario forecasting", something others could learn from. By doing so, the MNC believes it can grow faster than the market and stay ahead of competition.

"In today's time, predicting the future accurately is near impossible. Businesses that succeed will, therefore, be businesses that have found a way to quickly adapt to the changes. The capability that we need to build in the organisation is not just about saying what the future will be, but also about the ability to work around a very broad spectrum of alternatives that may emerge," HUL chief executive officer and managing director Nitin Paranjpe told TOI in an exclusive interview.



HUL CEO & MD Nitin Paranjpe

FMCG is believed to be the last sector to get impacted by financial crisis. Nevertheless, according to Paranjpe, today's uncertain times make scenario planning critical. "In these times, we cannot get locked into an annual plan or a fixed growth target. We need to be thinking of a range of alternative scenarios. Then we have to plan on what we need to do for each scenario were it to materialise."

The implementation process will be part of HUL's "strategy in action" programme, which is usually locked in by December, before it

is broken into individual processes to percolate down from corporate to individual work levels.

A wide range of scenarios and contingency plans is being planned to enable the organisation to adapt as quickly as possible with the changing times. HUL is shortening the plan cycles with a view that the world may change far more swiftly than one may imagine. Leverites are being encouraged to get externally oriented and connected with the outside world so that trends could be picked up faster—the accent being on the speed at which a trend is spotted. A culture that retains a far greater degree of freedom with oneself is being harnessed to avoid getting stuck in fixed paradigms. "The next 12-18 months will belong to companies that have the capacity to course correct quickly as per the demands of the situation and manage the resources dynamically," said Paranjpe, who took over as MD & CEO six months ago from Doug Baillie.

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# Will HUL revisit Project Millennium?

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A decade ago, when then Hindustan Lever chairman Keki Dadiseth formed a team of potential leaders—Nitin Paranjpe being one of them—to execute Project Millennium, it was an effort to look at fresh ideas for future growth opportunities.

Project Shakti and Pureit water purifier are the success stories of Project Millennium, even though there were failures like Sangam Direct and Max confectionery.

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When asked if HUL was revisiting Project Millennium, albeit in a different form, Paranjpe said, “You always have to make sure that the organisation remains competitive and builds new capabilities to exploit future growth opportunities. There are tremendous opportunities for growth in the FMCG segment in India in terms of penetration, consumption and upgradation.”

The company wants to en-

sure that strategies are planned to capture the growth opportunities of the future. Though HUL is not coining it “millennium”, the plan is to shape its portfolio for the future.

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No matter how small a category, channel or geography is today, if it is going to be big tomorrow, HUL will actively “explore today to win tomorrow”.

“We must put some markers in the ground which will tell us today whether we are winning with the consumers of tomorrow, in the channels of tomorrow and in the categories of tomorrow,” he said.

If modern trade is likely to become the larger part of the landscape tomorrow, HUL wants to be winning there. Likewise, in skin, personal care, deodorants and foods.

“The foods game has not played out yet. No matter how long it takes, we have to be disciplined and do the right things so that in the end game, our brands are well positioned to win,” he said, using the chess analogy.

Another element of its strategy is the recognition that there is more growth to be had in existing categories that are still under-leveraged and under-penetrated as compared to China and Indonesia.