

Polman returns to 'finish his meal'

Unilever CEO Back After 26/11, Talks Innovation

TIMES NEWS NETWORK

Mumbai: Paul Polman may have been smarting—and probably quivering a bit—when he last left Mumbai. It was soon after 26/11 and he had left his Taj dinner midway to escape bullets and grenades. But, the new CEO of Unilever Group was back in the city once again on Friday, the 13th. "I had to come back to finish the meal," he says resolutely.

But, more importantly, Polman is here to discuss business and growth opportunities, even while he expressed his gratitude to the people at Taj who saved many lives, while risking their own. "You don't give in to these things..."

This is not bald bravado. Fifty-two-year-old Polman, who is described as Unilever's first "outsider" CEO, is also drawing on the boundless energy of the Indian market to combat the global economic slowdown. In Polman's world, 'Unilever Hindustan', as he liked to address HUL, will be increasingly quenching the MNC's global thirst for innovation, as developed economies dive into a recession. Polman, who joined the \$59-billion Unilever from Nestle, has the unique distinction of having spent the better part of two decades as a Proctoid with Unilever's long-standing rival, Procter & Gamble.

Unilever, said Polman, would like to see bigger and better innovations from the developing and emerging markets like India, which could then be moved across the world. He cited the instance of Pureit, the water purifier brand from HUL, which could be replicated in other markets to make it a bigger global brand. Given that India has been the breeding ground for successful global innovations like Fair & Lovely, Polman said he expects to see innovations in foods too.

Impressed with HUL's uniquely positioned products that straddle the entire price pyramid, Polman said he wanted to replicate the same in markets like Europe to in-



RECALL MODE: Unilever Group CEO Paul Polman flanked by Hindustan Unilever chairman Harish Manwani (left) and HUL CEO & MD Nitin Paranjpe in Mumbai on Friday

duce growth. "I always say that it is very energising when I come here. If all companies would do like Unilever Hindustan (HUL) does, we would be four times as big as we are today," said Polman. "This is a company of hope, opportunities, progress and improvement," he added.

No matter how difficult the outside environment is, he (the common man) would still want to come home, open his shoes and have a Ben & Jerry's

Paul Polman | CEO, UNILEVER

And Polman has reasons to back his claim. "When we look at the company—we see a tremendous organisation. When we have these discussions on how do we double it, there's nobody in the room looking strangely. Everybody believes in it."

Unilever is getting some of its resilience—and growth—from the emerging markets. "We are very fortunate that in some of the markets that we are in—markets like India, Indonesia, Brazil, South Africa—we are relatively strong. These are moments to continue to build our brands," Polman said.

Despite the recession in US and Europe, Polman hoped that Unilever would be able to grow its business. "It is not that it is all disaster. The current economic crisis in the financial sector brings back our industry as one of the few industries that are really going to drive the economy. This is

back to ethics as far as I'm concerned," said Polman, who likes to call himself a "realistic optimist".

Polman's logic is simple. In a recession, people may stop buying or postpone the purchase of a car or a television, but they will definitely have the money to spend on everyday products. No matter how difficult the outside environment is, "he would still want to come home, open his shoes and have a Ben & Jerry's," as Polman put it.

To innovate in a recession-hit economy, Unilever has come up with value innovations such as Bertolli frozen meal for \$3-9, a meal for two, which, when compared to a restaurant meal of \$20-30, sounds economical.

The Unilever chief, who rebelled against giving quarterly outlooks, neither sees the food part of the market declining due to recession, nor the personal care segment.

Under the new parameters, Polman said Unilever will focus on protecting its cashflows, its operating margins, with an emphasis on growing its volumes. Globally, Unilever is laying more emphasis on its supply chain to ease pressure on credit and provide more value to the consumer. "Internally, we use this opportunity to get some costs out of the system quicker than we otherwise would have done. Because the consumer now is less able or unwilling to pay for the extra costs."

Unilever is also negotiating with suppliers and buying on a global platform to achieve better economies of scale. For this purpose, it has appointed a global procurement officer.