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HARISH MANWANI

CHAIRMAN, HUL

'We need to be obsessed with our consumers'

Ask Harish Manwani (56), chairman, Hindustan Unilever (HUL), what could possibly give him sleepless nights, and hidden in his response is his endeavour to enlarge the consumer base of HUL. "I get sleepless nights when I walk into a store and see a consumer pick up a competitor's product," Manwani told **Namrata Singh**, in an hour-long in-

terview. As president (Asia & Africa, Central & Eastern Europe), Unilever, Manwani is equally passionate about developing & emerging (D&E) markets fuelling Unilever's future requirement of talent. At the same time, at HUL, where he started his career in 1976, he wants the CEO/chairman to serve longer tenures. As one who plays an occasional game of bridge, Manwani would know his moves well in advance. In his sixth year as chairman of India's largest fast-moving consumer goods company, Manwani, also a member of Unilever Executive, says, he's not getting bored and that there's plenty to do. Excerpts:

It's been five years since you took over as chairman. How do you view this inning?

The last five years have been exciting. I have had the good fortune to be part of a major change that we are leading within Unilever. D&E markets, which accounted for 34% of Unilever in 2004, now accounts for 50% plus. This shift takes place in a lifetime. We are poised to see this happen faster than we thought. I have no doubt that by 2020, you would see a Unilever that will have not just a significant part of its business coming

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from D&E markets, but a lot of its thought leadership and talent emanating from this part of the world. I'm glad to be a part of this journey

But analysts don't seem all that excited about HUL.

At the end of the day the analysts have to decide on the basis of their own spreadsheets, where they want to put their money. Our proposition is more for medium- to long-term investors. They never abandon us in a hurry. When the markets tank, we don't normally just go down with them. People know this is a rock solid business. We must have the humility to understand that in our business, our report card is written everytime the consumer goes shopping. We are assessed on a daily basis. I'm less concerned about what happens in three months or six months. What's important is, are we creating value for the longer term?

More importantly are we going to be in business in the next 100 years?

As a business, we need to be obsessed with our consumers. By definition, our shareholders will get rewarded and our investors will have a different perspective. People recognise that whether you happen to be in consumer goods or steel or refrigerators, it is companies that have robust business models that are built to last. HUL is built to last.

What's the target?

In India, we are talking about remaining relevant 10, 15, 20 years down the road to all Indian consumers. We are looking at where the consumers are going. We have an energising growth vision about creating the shift in our growth trajectory. We are conscious that with all the legacy assets, great businesses are about creating the gaps between you and your competition.

When I joined HUL as a sales manager my job was to build brands in rural markets because our distribution was reaching where media did not reach. A few years ago, we created Shakti. In a disruptive way we created the next gap. While everyone was going into stores, we went into consumers' homes.

The second bet is innovation. In the last one year, we've had 30 launches. While most of the time what's visible is some competitive battle we are fighting, the fact of the matter is we are also building markets and new categories. This is a 365-day job.

Third is talent. People get engaged if they see a purpose in an organisation. We are beginning to reignite this whole process. When we sell a bar of Lifebuoy soap, we sell a message of hygiene to 150 million people. We save more lives by selling soap than pharmaceutical companies. That's what gets me out of bed.

How would you ensure that HUL meets the target of doubling the business?

Doubling the business is a Unilever objective. If I double the business in D&E markets in ten years, I'm doing a bad job. In this region, we've added on €5 billion of turnover in less than five years, and India has given a significant contribution. Our Indian business was not growing upto 2004, what do you think has been the growth rate between 2005 and 2009? (It's a 50% growth if one compares HUL's turnovers of 2005 and 2010).

► **'There is no such thing as compromise', P 24**



There is no such thing as compromise: Manwani

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In the past, HUL had a target of doubling its turnover every 5 years and profits every four years. What happened to that target?

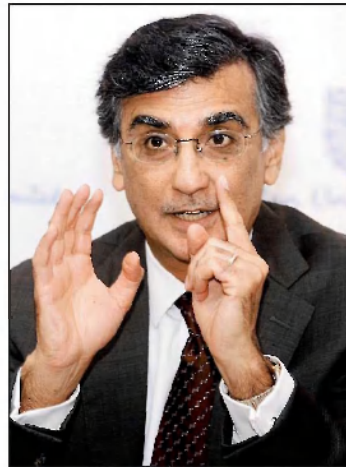
There was a context in which a certain ambition was set. That is not to say that this is not our ambition. I have been associated with it in the past. At one stage we had achieved it. It is no mean feat that in a context which is changing in the last four years, this business has turned around from not growing to growing 13% per annum. When we say we have added 50% growth in five years, the fact of the matter is between 2005 and 2009, we've added more turnover than three-four of our competitors put together. From Rs 11,000 crore to 17,000 crore, that's six thousand crore. Am I worried about 25-30% growth? That'll happen if I'm passionate about what my consumer wants. If 7 out of 10 consumers buy our brand, it couldn't be that we are doing a bad job. The thing is I want 8 out of 10 consumers to buy our brand.

Many local/regional laundry brands are giving HUL sleepless nights. How do you plan to deal with this situation?

I don't agree. We have sleepless nights because we want to do constantly better. I get sleepless nights if a consumer picks up a competitor's product. Wheel must be a superior product at its price point. If it is not, it will lose, and more likely to a local competitor. Do you know there were 1,500 new brand entries in the market in the last 18 months? The fact of the matter is that we are able to compete. We are still the number one player in overall market share.

On your laundry war with P&G, the matter has been in the courts. Are you open to some kind of a compromise to end this?

I don't believe there is any such thing as a compromise. We are here to focus on our consumers. We cannot get derailed about a longer term agenda. Rin is a superior product. We would not be making the challenge that we have in the media if it wasn't superior. If there is a competitive threat, we have to recognise it for what it is. We are not going to sit back and start getting into a thinking mode when we may have to take action immediately in the market. So we will move decisively with speed and have an un-



IT'S BUSINESS: Manwani

blinking defence of our categories when we are under attack. There is one story in laundry there is another story in another category. We have to get used to it. To be competitive — that's our job.

HUL is still a number two in oral care. What's your gameplan?

We've had some loss of share. Close-Up is doing extremely well. Pepsodent is not firing as well. We

have done a full revamp of Pepsodent, with a new advertising campaign. I'm confident that we'll be able to get back. When you ask me why we are not growing at 25%, the question you should ask is quite the reverse. How is it that HUL is able to grow the way it is and compete in so many categories all at the same time, and still enter new categories? That's the DNA of this company. It's not easy to be able to do this. We can have multiple conversations on oral care, laundry and food at the same time. How many companies can you do that with?

Four years back we saw some structural changes at HUL. Arun Adhikari, Sanjay Dube, Sanjeev Kakkar — who were at one point said to be in the running for the CEO's post — were posted in other markets. Do you see them coming back?

Every one of the people you have named, hopefully, would have a brighter future than I. That's the whole beauty of moving people forward. You want to grow people bigger than yourself. They recognise that they are global players now and have to compete globally in terms of positions. They are building different kind of competencies and capabilities. They were always great man-

agers. Now they are learning how to be great global leaders.

Earlier, a Lever chairman would occupy the post for a longer period. Over the last 15 years, this changed and the tenure came down to 4-5 years. Do you see this continuing?

The one thing that we don't want to do is to move people too quickly. We are not in the business of playing revolving doors. As a rule, we would expect people to serve long enough tenures to be able to put together and have a longer term perspective for the business. This is very much part and parcel of the new way of thinking at the organisation. I've been in this job myself, sixth year in running. I'm not getting bored. There's plenty to do. We want to bring a sharper performance culture and a degree of speed with which we move.

What are the challenges ahead?

We have to create an ecosystem that allows our businesses to grow consistently competitively and profitably. At the same time, remain rooted in our communities in which we operate. This is the route to sustainability. We know how to do it. The question is can we bottle it?