



manwani@iimc

Developing the capabilities of people is as important as business itself, says the Unilever stalwart

by Rakhi Mazumdar

IT IS AN APPROACH NOT MANY CORPORATES TAKE. Least of all, a leading MNC that is as Indianised as the soaps and soups it sells. But then, Hindustan Unilever Limited (HUL) has always been different. When Harish Manwani, president Asia & Africa, Central & Eastern Europe and a member of the Unilever Executive, decided to visit IIM-Calcutta's (IIMC) sprawling campus to talk to students on lessons in leadership, it was a hugely anticipated event. It's not every day that a global business leader, that too of a dream employer, comes to campus for a chat. After all, HUL's engagement with IIMC runs deep. At least seven senior executives of Unilever and HUL call IIMC their alma mater and the institute is intrinsically linked to HUL's focus on acquiring talent.

"Creating and expanding capabilities of our people is as important as business itself. At heart, we are a middle-class company focused on a structured training programme that grows talent for early leadership. We focus on this 'software' as much as we do on the business hardware," said Manwani, setting the tone for the evening.

Manwani's words resonate in management thinker Ram Charan's latest book, 'The Talent Masters', where he devotes an entire chapter to HUL. An extract: "No other company we know of recruits and trains people from day one with the explicit aim of growing leaders able to reach the highest levels. And, in no other company we know of do senior managers work so directly with those rising leaders."

Elaborating on HUL's success mantra in emerging markets, Manwani falls back on hard numbers. Now about 52% of HUL's turnover comes from emerging markets. "Asia is market leader in aggregate, and in India, we have leadership in nine out of eleven categories we are present in. The point that works to our advantage is we embed ourselves in the local business and the community we operate in," said Manwani. "Be it Indonesia or India, we think local, act global, instead of the other way round. That is our sweet spot."

"Sunlight" was the first branded detergent in Victorian England. The founder of Unilever was a social entrepreneur who believed a bar of soap can make a difference and 'less work for women' was a mission statement. "Recognise the true North of a business, some things are non-negotiable, no matter how tough the times are," said Manwani. "Each person in the organisation must realise that the true North does not change."

During the interaction that followed, one student asked whether it was important for a CEO to work with an organisation for 30 years to succeed. Can CEOs who are not homegrown also succeed? Manwani responded by saying, "Due diligence is critically important. If we bring in people from outside, the DNA or the cultural fit is important. HUL believes in homegrown talent. We believe in committing and growing leaders. Today, in Unilever, some 203 youngsters are working abroad. Putting the HUL 'chip' inside them is key."

PP Don't look for the magic bullet but invest in a continuous engagement with society. Consumer behaviour is the key. If you can influence it, you get it right dd

This was followed by a query on HUL's green strategy since eco-friendly products are at a premium. "As industry standards change and prices drop, people want to enjoy products. But great products also need to be competitive. We need to find out how to make them competitive and neutralise the impact on costs. If the future lies in making business sustainable, we need to start now by absorbing the extra cost as a cost of operation. On the balance sheet, it will be shown as savings in some and cost in others, as we find out ways to use less water and less energy," said Manwani.

Citing the example of Rexona, the company's large selling deo, Manwani recalled how a change in packaging (to a stand-up reverse pack) led to a 15% savings on cost. The interesting part was that consumers loved it since it was easier to dispense.

Unilever 'Pure It' is another example. "Globally, water is a

big issue since 40% of the people live in water-distress areas. There was a mass market need for the best technology to provide clean water without a tap or electricity. We could provide four litres of water at Rs 1," he said.

Students also wanted to know whether more growth opportunities existed in higher end products. HUL caters to the entire socio-economic spectrum and straddles across all segments. It has Wheel at the lowest price index, Rin at the middle level and Surf at the top end. The company also runs programmes like 'Shakti Amma' in villages. "Don't look for the magic bullet but invest in a continuous engagement with society. Consumer behaviour is key. If you can influence it, you get it right. A future consumer should be able to feel comfortable with the product," Manwani said.

Picking out HUL's 'Fair and Lovely' brand as a case in point, Manwani said: "Colour management products are used all over the world. I have seen it being used by Caucasians in Europe who want to get two shades darker using tanning products. Similarly, in foods, we are not saying buy us because we are green but rather because we make good food products."

What about competition, which is always fierce in the FMCG sector? For his part, Manwani had an interesting take: "Competitor focus distracts attention. The foundation of a business rests on consumer insights. It is a structured process and it is absolutely proprietary stuff to have a point of view on consumers. Technology allows us to codify and use the knowledge base and category insights into shopper knowledge, gathered from super markets to kirana stores. We need to constantly ask ourselves: are we doing enough?"

There were other queries on whether brands can be stretched while focusing on scale. "Depends is a good answer in marketing," Manwani said, connecting instantly with the students yet again. On a more serious note, he said sharpness of brand positioning is critical. One cannot be trigger happy on new brand launches because such launches are expensive.

First of all, the current brand needs to be made relevant in its space. Take Pond's, for instance. The brand's features include femininity, face care. "The

question was can we straddle various price points without losing the essential values of the brand. We found we could do it. We actually went all the way to the top and put 'wow' products that helped entire range of Pond's. Now it is a bigger brand with a bigger authority. Dove's proposition was so different that we decided to

launch a new brand," said Manwani.

Responding to a question on ethical issues in business, Manwani said, business integrity is an extension of family values into an organisation. "I have never faced an ethical dilemma in all my years with this company. It comes back to the 'true North' of an organisation. You can make a difference, but if you want a short buck you will encounter issues."

Manwani was perfectly at ease, playing his role as a mentor to future leaders of business. His expansive answers peppered with examples had the students on their feet. Quite literally. While nearly 300 students were seated on the lawn opposite IIMC's iconic auditorium, an equal number of them were seen standing throughout the two-hour long session.

Manwani visited IIMC as part of a 'Learn 2 Lead' program, where HUL leaders travel to B-schools and share their perspective and experiences on leadership. Over the past year, Leena Nair, executive director (HR), Hemant Bakshi, executive director (customer development & sales) and Nitin Paranjpe CEO & MD met students across eight B-schools and spoke on a common theme 'Work Place in 2020 & its impact on future leaders.'

PP At heart, we are a middle-class company focused on a structured training program that grows talent for early leadership. We focus on this 'software' as much as we do on the business hardware dd

