

# 'Positioning of brand is not negotiable'

Unilever Chief, However, Feels One Can Change Formulations To Suit Local Needs And Breathe Life Into The Brand

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**P**ATRICK Cescau, who took over as Unilever group CEO in 2005, had to pick up the pieces after the failure of the 'Path to Growth' strategy. His focus has been to create a 'One Unilever' structure and design a strategy to improve efficiency and margins and back categories with resources. Health and nutrition and emerging markets are key areas of focus within the group. Excerpts from an interview:

**You have been credited with the transformation at Unilever from a leadership point of view. How challenging was the task?**

The myth of the super hero CEO is just that. There are a lot of competent people around me and my job is to extract value from them. I see the CEO as someone who energises the team and provides direction and ensures that he creates a community of leaders.

We had a legacy of totally

independent operating cultures in most countries. But in a globalised competitive market, it was crucial to have an integrated globally coordinated business structure. The challenge was to align the system to get speed and have a common strategic focus. For that, alignment at the top is critical. One single approach in the earlier system was impossible.

A competitive marketplace did not give me the time to give people the comfort of too much time to change. Almost half of our senior leaders left because they did not fit. We now have a smaller team of outstanding people with a common vision.

**Unilever's first profit warning was in September 2004. What was its significance?**

It was the first profit warning ever. We needed to free the organisation from the vicious circle of an unwieldy system and lack of decisiveness and direction. It is all about portfolio choices and extracting value from it and backing areas where we have

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world when it comes to size, the growth opportunity, market penetration and consumption per head. There is so much excitement here because there is growth... HUL has a great group of leaders in every category that we are in...

**Do countries have the independence to take decisions on brands in the marketplace?**

Our organisation as two groups ensures that one group thinks about building brands and the other takes the brand and makes it come alive in

the competencies. Most crucial was implementing the strategy in the marketplace. Strategy is always easy, execution is the challenge. Whether we are in Germany, Russia or Brazil, we have the same vision.

Today, we have the power of One Unilever. We are now completely One Unilever with the process of outsourcing, of creating one regional supply-chain company, and the process will be over by end-2008. India is my number two country in the

marketplace. The positioning of the brand is not negotiable. Dove is about real beauty and nobody can tinker with it... Axe is about a young boy and a young girl... Pond's is about romance... When it comes to the product, you can change formulations to suit local needs and make the brand come alive in the marketplace.

The platform is the same and we don't tinker with it. But the communication and customisation could be different. The categories are the same; what we are doing is fuelling our innovations to revitalise these categories. The benefit of this focus is showing clearly in our personal-care businesses and in the D&E (developing and emerging) markets. Global categories will determine the portfolio of brands. For each country, the focus is to ensure that you grow the category and protect market-share. Our country leaders have to be chief customer officers, focus on the shopper on customer management, supply chain and work with trade, as partners to grow the category and our brands. Execution is critical in the market. We were very good with consumers, but customer execution was not our strength.

(For the full interview see [www.economicstimes.com](http://www.economicstimes.com))