

# 'We need 50 Indians to lead Unilever global ops'

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& T Surendar | TNN

**A**s group CEO of Unilever, Patrick Cescau lives an exacting life. When he took over at the €40 billion behemoth in 2005, the FMCG giant was struggling to hold on to its pre-eminent position as a company that offers consumers everything they need. Much water has passed under the bridge since then. In an exclusive hour-long interaction with TOI in Mumbai over the weekend, he talks of lessons learnt and the future. Excerpts:

**TOI:** Things look tough for you. Input costs are going up; there is a recession looming across the global economy.

**Cescau:** Yes, it is a challenging environment. There is a slowdown, but no recession yet. We certainly expect growth levels to come off the peak in many markets. But in emerging markets we expect to see growth.

**TOI:** The chairman of Coca Cola recently said Coke is not battling just Pepsi but Nokia for a share of the consumer's wallet. That argument would be true in your case too?

**Cescau:** There certainly is competition for disposable income when there are sexy products around like the iPod. But when faced with an economic crisis, the consumer will have to make sharper choices on what is needed. You may be able to survive without an iPod. But it is difficult to dramatically reduce the intake of food or stop washing clothes. That is why FMCG stocks are seen as defensive stocks in the emerging scenario.

**TOI:** In India, at the top-end, P&G and L'Oréal are fighting you hard. At the other end, there are players like ITC nibbling away. How do you

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compete from here on?

**Cescau:** We straddle the income pyramid and if you want to be competitive you must address these challenges. Many companies think they can survive by focusing only on the affluent without addressing other segments. If you do, you are soon going to go off. This is true not just in India, but also in Europe where we face competition from discounters and private labels.

**TOI:** So, you're saying it is possible to be all things to all people?

**Cescau:** It is possible to have a different approach for different consumers. There is a reason for that. Your consumers evolve with time and their income levels grow. And you accompany them through that evolution. If you leave the door and break the bond with consumers, it could be very dangerous.

**TOI:** In India, the previous generation grew with Unilever products. Not this generation. Does this mean the organization needs to

change now it thinks in the country?

**Cescau:** Absolutely. I think the company had gotten too comfortable and complacent maybe. We had lost for some time our No 1 position in the hearts and minds of consumers.

**TOI:** If you were to look at HUL (Unilever's Indian subsidiary), it was the only MNC that was not an outpost of its parent. In the new scheme of things, everything is centralized. How does that help diversity?

**Cescau:** It is not about centralization. It is about creating a global platform, which is then converted by the regional management. So there is certainly less independence. But there is more inter-dependence. So today, when we meet P&G in India, we don't meet P&G (India). We meet the whole of P&G in India. And I need the best of Unilever in India to fight them. The reverse is also true. I brought two Indians to my top team, not because they give me a better understanding of the Indian market. They bring the sharpness and focus (that) I have seen in the Indian company to other parts of the world. I have Indians leading Japan and Poland. I want 50 leaders from India outside India. That is the new world of inter-dependence.

**TOI:** There is a lot of speculation around about who will succeed you? Have you started the process of succession planning?

**Cescau:** I am not gone and have not indicated I want to go. So, it is not on my table. I have an outstanding team and each one is seen as my successor. When the time comes, there will be an embarrassment of riches. Right now, the press loves this kind of stories, but this is not a story.