

Global giant Unilever will allocate higher resources to emerging markets, which means, Hindustan Unilever (HUL) will benefit by virtue of it being the largest operating company of the region, Unilever president (Asia, Africa), **Harish Manwani**, tells Namrata Singh

Emerging markets high on HUL agenda

Developing and emerging (D&E) market has emerged as one of the clear priorities where consumer products major Unilever wants to get its growth from. This is not surprising as the region's contribution to Unilever revenues in the category has gone up to 44% from 36% in three years. "D&E is where the economic centre of gravity is shifting. Our footprint of growth from D&E is higher than almost our entire peer group. Without a doubt, Unilever will match resources with priorities," Manwani said.

The resource allocation, among others, will come in the form of a higher expenditure on research and development (R&D) and advertising and promotions (A&P). For the Asia-Africa region, Unilever has spent almost half a billion extra for A&P in the last three years. "That is a large chunk of the incremental support that Unilever is putting behind in its brands globally," said Manwani.

Unilever now has more R&D resources in Asia than what it had three years ago. Moreover, 30% of its R&D in Home and Personal Care (HPC)—the bulk of the business—is located in Asia. "We are making a major shift of resources to match our priorities, and that is significantly higher than any of our competitors in terms of on ground presence of our R&D resources," said Manwani.

Most global companies are eyeing the growth opportunity in D&E market, from where 75% of global growth in population is going to come from, and Unilever is no different. Unilever has given a guidance of 3-5% growth for topline, which is expected to be in the upper end of 3-5% in 2008.

"D&E will be a key growth driver, and so far as India is concerned, we have a huge role to play in this growth agenda," said Manwani. India contributes roughly 6% to Unilever's revenues.

PLAN FOR INDIA

Hindustan Unilever (HUL) has emerged as a large talent source



ing pool for the parent, globally. At present, 120 managers from HUL are posted across levels in various Unilever companies outside India. While this is a significant jump from what was being sourced in the previous years, HUL benefits by leveraging upon other resources from Unilever.

Global and regional leverage: HUL will not only leverage technology from Unilever, but will also benefit from Unilever's regional focus. For instance, even local brands like Hamam, which are not global in presence, will get a boost from Unilever's global technology to be able to better compete in the market place.

"We are doing more active brand portfolio management where we are trying to make sure that in terms of innovation, we are able to leverage global and regional scale behind each and every one of our brands irrespective of whether they happen to be global brands, regional brands or local brands," said Manwani. The company has identified growth opportunity in terms of market development, penetration and conversion of non-users into users. HUL hopes to not only lead in a given market, but also lead the growth in the market.

Focus on operational excellence: To win in the marketplace, HUL plans to sharpen its capabilities and competitive edge. "It is, what we call, Every-day Great Execution (Edge)," said Manwani.

Strategic clarity: In terms of strategic clarity, HUL will make choices—where it wants to invest and where it does not want to invest. "We are not doing any radical restructuring in India, but what we are doing is fine-tuning our resources to meet our future priorities," said Manwani. While HUL has restructured some businesses in the past, it is also investing resources and people behind new businesses like water (Pure-it) and modern trade. "This is because you have to shape your resources to meet your future priorities. That's the name of the game," said Manwani.

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