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PHOTO BY RACHIT GOSWAMI

ON SOLID GROUND Sanjiv Mehta,
Chairman & MD, Hindustan Unilever Ltd

Key Highlights

- ❶ HUL promptly addressed supply-chain issues when the Covid-19 pandemic hit
- ❷ Mehta's focus on innovation has kept the company at the top slot even as many new players entered the market
- ❸ Focus on 'winning in many Indias' has helped HUL grow across the country
- ❹ Mehta's interest in research and development has ensured the products go through a series of quality checks
- ❺ The merger with GSK Consumer Healthcare and a seamless transition has kept the numbers upbeat despite the pandemic's impact

Beauty Lies in the Details

With years of experience in dealing with tough situations, Sanjiv Mehta is successfully rewriting HUL's growth story in challenging times

By **Arnab Dutta**

► **SANJIV MEHTA**, Chairman and Managing Director of Hindustan Unilever, was in Bhubaneswar a few years ago on a market visit. Soon after, the company's Executive Director of Research and Development, Vibhav R. Sanzgiri, got a call from his boss. Mehta noted that a variant of Lux soap was losing its fragrance sooner than expected in the humid conditions of the east. "Look, this can't be our Lux', I still recall him saying during a market visit at the beginning of 2019. These visits by top executives of FMCG companies are not new, but a top boss picking up products from the stands and figuring [out] minute differences is not very common," Sanzgiri says.

If you are a user of HUL's popular Dove skincare range or the newly launched sensitive toothpaste, you can rest assured that almost all of those have been offered to you only after Mehta was satisfied with their quality. A chartered accountant by

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training, Mehta's keen interest in detail—even at the product development levels—is something that has been noticed ever since he took charge in 2013. Priya Nair, an Executive Director at the Mumbai-headquartered FMCG major, who also heads India's largest beauty and personal care portfolio, is a regular witness to this. Mehta—the winner in the FMCG category of the *BT-PwC* India's Best CEOs ranking—not only uses the new products but also gives feedback that proves to be crucial.

According to insiders, while HUL has been the market leader in most of the personal care categories for decades, it is Mehta's push for innovation that helps it hold on to the top spot. He reintroduced the head of R&D into HUL's management committee after years. In the recently concluded December quarter, the company gained its highest market share in many categories in a decade.

What makes Mehta stand taller than most of his competitors in India's ₹5-lakh crore FMCG market is his ability to spot any upcoming macro-level issue early. Take the pandemic for instance. In March 2020, when the nation was put under strict lockdown overnight, HUL promptly adopted a new model for its supply chain. Realising that the conventional method of achieving set sales targets would not work in the new normal, it shifted its focus to ensuring seamless movement of goods and streamlining its supply chain.

The strategy clicked. While most FMCG companies reported a decline, HUL managed to grow both its sales and profit during the April-June 2020 quarter. Calling its performance resilient amid a challenging environment, analysts at Axis Securities said HUL's performance beat expectations on all the key headline numbers.

HUL's success in the period can also be attributed to the smooth transition after it concluded the ₹37,000-crore merger with GSK Consumer Healthcare in early-2020. According to Prabhudas Lilladher's Head of Research Amnish Aggarwal, it was the GSK Consumer business that lifted HUL's fortunes—excluding the health-led GSK business, HUL's sales actually declined by 7 per cent. "Ahead of the synergy meetings with the GSK CH team, I recall him putting the key to success in simple words—If you take care of people, people will take care of your business," says Srinandan Sundaram, Executive Director, foods and refreshment at HUL.

Mehta, who will now be CEO & MD from March 31 as the FMCG major has split the CMD's post, credits his success to experience and faith in God. Since he joined the professional world in 1983, he has had the 'opportunity' of working under the most volatile situations. From his role in the crisis management team at Union Carbide in 1984 after the infamous Bhopal gas tragedy to taking the wheel amid the Arab Spring as the chairman of Uni-

lever North Africa and Middle East, he has faced many uphill tasks. "I believe in God and that gives me internal courage. Apart from the Bhopal tragedy and the Arab Spring, I have been through major issues such as the Gulf War, when there was a massive outcry against foreign multinationals and, in recent times, situations like demonetisation. Thus, any challenge that comes my way, I am never overwhelmed by it," says Mehta.

An avid reader, Mehta gets his hands on everything from autobiographies to books on geopolitics. And

FMCG

Sanjiv Mehta

Chairman & MD, Hindustan Unilever

Revenue from operations	FY21	45,996
	Q3 FY22	13,092
Profit before tax	FY21	10,490
	Q3 FY22	3,024
Profit after tax	FY21	7,954
	Q3 FY22	2,243
	RoE (%)	28.69
	Market Cap	5,30,455.47

- Standalone results; all figures in ₹ crore except RoE
- M-cap as of February 7
- Data Source: BSE, ACE Equity

that's one of the key aspects that helps boost his stature as a business leader who can gauge the pulse of the economy ahead of others. One of Mehta's greatest legacies at HUL is still attributed to his idea of segregating the giant into 15 clusters—based on the diversity of consumers and their cultures—after he took charge of the local unit. The idea of 'winning in many Indias' not only catapulted HUL's business but proved to be crucial even during demonetisation and the pandemic.

With the consumer economy slowing again, HUL is banking on Mehta's acumen to lead the way. The fifth-largest listed company in India, with a market capitalisation of over ₹5.38 lakh crore, is debt-free, but its top line growth and margins are now facing pressure as 70 per cent of India's population grapples with a steady rise in the cost of living. Mehta, however, is confident that the job creation measures announced by the government will result in a turnaround soon. **BT**

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