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MOST
VALUABLE
CEOs**

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HEAVYWEIGHT

Sanjiv Mehta
CEO, HINDUSTAN UNILEVER

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INDUSTAN UNILEVER VETERAN and present CEO, Sanjiv Mehta is helping the age old behemoth evolve into a new avatar, with an ambience akin to a startup and employees, who are both innovative and free thinkers. Mehta joined Unilever in October 1992 and has led several Unilever businesses across South Asia, South East Asia and Middle East. During his tenure as the head of various Unilever companies, the businesses achieved significant success accelerating both growth and profitability. More importantly, he has been instrumental in building leadership talent and substantially strengthening organisational capabilities of the businesses.

When Mehta was put at the helm of the Indian market in July 2013 as CEO and managing director of Hindustan Unilever, it took many by surprise as Mehta had not operated in the Indian market. But he has proved his mettle. HUL seems to have shaken off the image of a lumbering giant among stakeholders and investors since the 2008-09 slowdown. Analysts believe that six years ago, HUL made it easier for rivals to gain share. But today, the company

is so agile that it leaves little room for its competitors to counter-attack.

Mehta launched several consumer and talent development initiatives such as 'Dialing Up the Big Queue' to improve quality in every interface with the consumer, from storage to store level by helping distributors and traders manage inventory and stocks. A long-term initiative to cut through store clutter has also been started. "We are 'playing to win'. We are building a performance culture where you are continuously stretching and raising the bar," said Mehta in an interview to a newspaper.

The country's largest consumer goods company, however, reported weak numbers for the December quarter even as volume growth for HUL has improved from 4.5-5 per cent last year to 6 per cent. Mehta said that he will continue to focus on volume growth as price growth remains muted.

"If you see overall market growth over the past two years, value growth of 5 per cent has come down to about 4.5 per cent. Volume growth, on the other hand, virtually nil two years ago, is now 2.5-3 per cent. We are ahead of the market in this, and our focus on this metric will stay. The last time there was a commodity price deflation in 2009, we did not focus enough on volume growth. The result was a fall in both price and volume. We were clear we would not repeat that mistake and began taking measures early on, to ensure volume growth stayed intact," said Mehta in a media interaction.

HUL's sales dipped by 1.2 per cent year-on-year (yoy) to Rs 75.1 billion in the third quarter of FY17, while volume fell 4 per cent in Q3 FY17. EBITDA & PAT (before exceptional items) dipped 5.2 per cent & 10.2 per cent yoy to Rs 13.6 bn and Rs 9.2 bn, respectively. Considering the impact of demonetisation on Q3 numbers, the company has cut its earnings estimates by 4 per cent and expects revenue and earnings to report 7 per cent and 8 per cent CAGR through FY16-18. At 38.6x FY18E earnings, there is limited upside potential, with no positive growth trigger in sight. monica@businessworld.in



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