

LOCAL MEMOIRS OF A GLOBAL MANAGER

BY GURCHARAN DAS

Think global, act local? Yes, but managers must also think local and then apply their insights on a global scale.

THERE WAS A time when I used to strut about feeling that a "blade of grass is always a blade of grass, whether in one country or another." Now I feel that each blade of grass has its spot on earth from where it draws its life, its strength; and so is man rooted to the land from where he draws his faith, together with his life.

In India, I was privileged to help build one of the largest businesses in the world for Vicks Vaporub, a 100-year-old brand sold in 147 countries and owned by Procter & Gamble. I learned a number of difficult and valuable lessons about business and about myself. The most important lesson was this: to learn to tap into the roots of diversity in a world where global standardization plays an increasingly useful role.

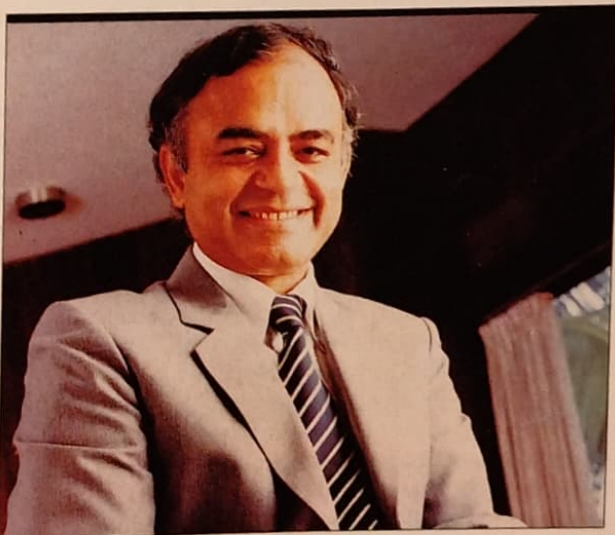
"Think global and act local," goes the saying, but that's only half a truth. International managers must also think local and then apply their local insights on a global scale. In committing our work we commit to a here and now; but what we learn from acting locally is often universal in nature.

Globalization does not mean imposing homogeneous solutions in a pluralistic world. It means having a global vision and strategy, but it also means cultivating roots and individual identities. It means nourishing local insights, but it also means reemploying communicable ideas in new geographies around the world.

The more human beings belong to their own time and place, the more they belong to all times and places. Today's

best global managers know this truth. They nourish each "blade of grass."

At three stages in my life I was tempted to settle in the West. Each time I could have chosen to lead the cosmopolitan life of an expatriate. Each time I chose to return home. The first after college; the second when I was based in the New York office of Vicks; the third



Das: "Smart global managers nourish each blade of grass but don't neglect the garden."

when I was in Mexico running our nutritional foods business, when once again I came home to earn a fraction of what I would have earned abroad.

I ask myself why I keep returning to India. I have thrice opted for what appeared to be the less rational course in terms of career and money. The only remotely satisfying answer I have found comes from my enigmatic uncle who said, "You've come back because as a child you listened to the music of your mother's voice. They all say, 'I'll be

back in a few years,' but the few years become many, until it is too late and you are lost in a lonely and homeless crowd."

Yet I think of myself as a global manager within the P&G world. I believe my curious life script has helped to create a mindset that combines the particular with the universal, a mindset rooted in the local and yet open and nonparochial, a mindset I find useful in the global management of P&G brands.

For months I believed that my salary came from the payroll clerk, so I was especially nice to her. Then one day I discovered the most important truth of my career—I realized who really paid my salary.

Soon after I joined the company, my boss handed me a bag and train ticket and sent me "up-country." He believed that you learned marketing only in the bazaar, so I spent ten of my first 15 months on the road and saw lots of up-country bazaars.

On the road, I typically would meet our trade customers in the mornings and consumers in the evenings. In the afternoons everyone slept. One evening I knocked on the door of a middle-class home in Surat, a busy trading town 200 miles north of Bombay. The lady of the house reluctantly let me in. I asked her, "What do you use for your family's coughs and colds?" Her eyes lit up, her face became animated. She told me that she had discovered the most wonderful solution. She went into the kitchen and brought back a jar of Vicks Vaporub and a kettle. She poured a spoon of Vaporub into the boiling kettle and inhaled the medicated

vapors from the spout.

"If you don't believe me, try it for yourself," she said. "Here, let me boil some water for you."

Instead of drinking tea that evening we inhaled Vicks Vaporub. As I walked back to my hotel, I felt intoxicated: I had discovered it was she who paid my salary. My job also became clear to me: I must reciprocate her compliment by striving relentlessly to satisfy her needs.

When I became the CEO of the company I made a rule that every employee

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will tend to perceive it as more favorable to your point of view than it really is. The opposite holds true when an idea falls into your latitude of rejection—you'll perceive it to be more unacceptable than it really is.

Sheriff's findings argue that the strategy with the greatest potential of acceptance belongs to messages that approach but do not exceed the audience's limits of neutrality—that part of their thinking about the same issue on which they are neutral or undecided.

People are motivated to communicate by needs, theirs as well as the audience's. To know the other person's emotional and logical needs—to identify the audience—is to become instantly aware of the approaches and arguments it will take to satisfy them. Knowing to whom you are speaking more than makes communication possible. It makes it likely.

Objectives and messages. There are two concepts that define the objective of every strategic communication: awareness and conviction. You report to the boss. Isn't that to make him aware of your progress? You meet with employees to discuss performance reviews. Aren't you out to convince them you've been fair in your evaluation? What is not intended to create awareness must be intended to create conviction.

Though at first glance the choice between awareness and conviction as your objective may seem less than critical, don't be misled. Strategic outcomes turn on the consistency between your objective and the thought you wish to implant. When your objective is to create awareness but your message deals with conviction, you can practically hear the nail screech across the blackboard. On the other hand, render the subject and object in harmony and what you make can be music to the audience's ears.

Many would-be communicators often allow themselves to fall into the trap of treating awareness and conviction as interchangeable parts. Instead of producing a clear and single-minded communication, a message out of sync with its objective is a double signal. And like all equivocation, it confuses more than it compels.

Because the content of messages intended to create awareness is either new or new to the audience at hand,

there is probably no built-in audience resistance, no structural disbelief, to contend with. Messages intended to produce conviction bear an extra burden. Sure, they have to encourage respondents to start doing or thinking one thing. But at the same time, they have to encourage those same respondents to stop doing one thing to thinking another—the very thing that prevents them from agreeing with you in the first place.

Here's an example. Your team didn't make the numbers this period. Do you tell the boss you fell short by 3% due to factors beyond your control and let it go at that? Hardly.

How do you make communication happen? In a word, strategy.

What you do is provide him with the support it takes to suspend his disbelief. So you tell him that the soft spot in operating profit before taxes is due entirely to an unbudgeted factory variance caused by higher energy costs.

The ability to recognize the distinction between the two strategic objectives—awareness and conviction—does not guarantee your message will work. What it does guarantee, though, is an edge, more of a fighting chance to persuade, inform, and inspire your peers, subordinates, and superiors.

Tonality. Meaning doesn't reside so much in words as it does in the context in which those words are placed. So, having made the effort to think through the identity of the target audience and develop a strategic communication objective and message, how can we be sure the words we choose are understood in the way we mean them to be?

Because language is an inexact means of sharing ideas, audiences rely on such nonverbal considerations as gesture, timing, communication site, and more, for clues to interpret what you are saying. Together these constitute a tonality, a mood, that alerts the audience to understand your message in a way that is beyond words.

Leveraging tonality is something you do on a daily basis, but probably on an unconscious level. For instance, as a manager you're asked to explain to your clients a minor change in billing practice. By sending an overnight letter to deliver the news, you'd run the danger of attaching too much urgency to it, creating an atmosphere that raises more questions than answers. Instead, you matter-of-factly integrate the news into your next regular contact. The low-key tone helps your customers put the new policy into proper perspective.

When the objective of your communication is to create awareness, the tonality of your communication should seek to establish a rational, more or less matter-of-fact air. The opposite is true when you are out to promote conviction.

In the largest sense, the whole idea of strategic tonality honors the first commandment of management: Thou shalt not create surprises. When you stop to think about it, that's what professional management is really all about: Establishing a predictable surprise-free climate.

As managers, we are conditioned not only to anticipate problems but to correct them before they sneak into our work. Later, senior management measures us by our ability to actually deliver on our plans, surprise-free.

Seen in this context, a business message in conflict with its mood is nothing less than a surprise. The inconsistency catches its audience off-guard. Ambiguity stops them cold. And with that—pfft!—there goes receptivity, right down the tube.

Striking the right tonality doesn't just happen. You have to work at it. But in the end, it makes the difference between words that merely read right and a communication that really rings true. Tonality is that part of strategy that makes sure what you preach is what you practice. □

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in every department had to go out every year and meet 20 consumers and 20 retailers or wholesalers to qualify for their annual raise. This not only helps to remind us who pays our salaries; we also get a payoff in good ideas to improve our products and services. As to the lady in Surat, we quickly put her ideas into our advertising. She was the first consumer to show me a global insight in my own backyard.

Two years after I joined P&G, I was promoted to brand manager. I noticed

we were building volume strongly in the South but having trouble in the North. I asked myself whether I should try to fix the North or capitalize on the momentum in the South. I chose the latter, and it was the right choice. We later discovered that North Indians don't like to rub things on their bodies, yet the more important lesson was that it is usually better to build on your strength than to try and correct a weakness. Listen to and respect the market. Resist the temptations to impose your will on it.

We were doing well in the South partially because South Indians were accustomed to rubbing on balms for headaches, colds, bodyaches, insect bites, and other minor maladies. We had a big and successful balm competitor who offered relief for all these symptoms. My first impulse was to try to expand the use of Vaporub to other symptoms in order to compete in this larger balm market.

My boss quickly put a stop to that. He explained that Vaporub's unique function was to relieve colds.

"Each object has a function," he said. "A chair's function is to seat a person. A desk is to write on. You don't want to use a chair for writing and a desk for writing. You never want to mix up func-

A great part of Vaporub's success in India has been its clear and sharp position in the consumer's mind. It is cold relief in a jar, which a mother rubs on her child's cold at bedtime. I thought more about balms, I realized that they were quite the opposite. Adults rub balms on themselves for

headaches during the day. Vaporub was succeeding precisely because it was not a balm; it was a rub for colds.

Every brand manager since has had to learn the same lesson. It is of utmost importance to know who you are and not be led astray by others. Tap into your roots when you are unsure. You cannot be all things to all people.

When I took over the brand we were spending most of our advertising rupees in the winter, a strategy that worked in North America and other countries.



The Vicks story in India demonstrates at least one key ingredient for global market success: *the importance of local passion*. If local managers believe a product is theirs, then local consumers will believe it, too.

However, my monthly volume data stubbornly suggested that we were shipping a lot of Vaporub between July and September, the hot monsoon season. "People must be catching lots of colds in the monsoon," I told my boss, and I got his agreement to bring forward a good chunk of our media to the warm monsoon months. Sure enough, we were rewarded with an immediate gain in sales.

Another factor in our success was the introduction of a small five-gram tin, which accounts for 40% of our volume. At first it was not successful, so we had to price it so that it was cheaper to buy four five-gram tins than a 19-gram jar. The trade thought we were crazy. They said no one would buy the profitable jar; they would trade down to

the tin. But that didn't happen. Why? Because we had positioned the tin for the working class. We were right in believing that middle-class consumers would stay loyal to the middle-class size.

We learned our most important lesson about tapping into the roots of diversity shortly after I became head of the company in the early 1980s. We found ourselves against a wall. The chemists and pharmacists had united nationwide and decided to target our company and boycott our products in their fight for higher margins from the entire industry. Productivity at our plant was falling, while wages kept rising. As a result, our profitability had plummeted to 20% of sales.

Beset by a hostile environment, we turned inward. The answer to our problems came as a flash of insight about our roots, for we suddenly realized that Vicks Vaporub and other Vicks products were all natural, herbal formulas. All their ingredients were found in thousand-year old Sanskrit texts. What was more, this ancient Ayurvedic system of medicine enjoyed the patronage of the government. If we could change our government registration from Western medicine to Indian medicine, we could expand our distribution to food shops, general stores, and street kiosks and thus reduce dependence on the pharmacists.

We went to the government in Delhi, which was impressed to discover all the elements of Vaporub's formula in the ancient texts. They advised us to check with the local Food and Drug Administration in Bombay. The FDA regulators couldn't find a single fault with our case and promptly gave us a new registration.

Lo and behold, all the obstacles were gone! Our sales force rapidly expanded the distribution of our products to the nondrug trade, tripling the outlets which carried Vicks to roughly 760,000 stores. Consumers were happy that they could buy our products at every street corner.

Finally, we decided to return the compliment to the Indian system of medicine. We persuaded our headquar-

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ters to let us establish an R&D center to investigate additional all-natural therapies for coughs and colds. When I first mooted this idea, my bosses at the head office in the United States practically fell off their chairs. Slowly, however, the idea grew on them.

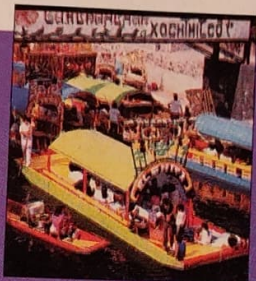
The story of Vicks in India brings up a mistaken notion about how multinationals build global brands. The popular concept is that you start with a powerful brand name, add standardized product, packaging and advertising, push a button, and bingo—you are on the way to capturing global markets. Marlboro, Coke, Sony Walkman, and Levis are cited as examples of this strategy.

The Vicks story demonstrates at least one key ingredient for global market success: *the importance of local passion*. If local managers believe a product is theirs, then local consumers will believe it, too. Indeed, a survey of Indian consumers a few years ago showed that 70% believed Vicks was an Indian brand!

There are also psychic rewards for the manager who invests in the local. Going back to my roots reinvigorated me as a person and brought a certain fullness to my life. Not only was it pleasant to see familiar brown faces on the street; it was also enormously satisfying to be a part of the intense social life of the neighborhood, to experience the joys and sorrows of politics, and to share in the common fate of the nation. I began to think of my work as part of nation building, especially training and developing the next generation of young managers who would run the company and the country.

Equally, there are powerful though less obvious psychic rewards for international managers on transfer overseas who get involved in the local community. When they approach the new country with an open mind, learn the local language, and make friends with colleagues and neighbors, they gain access to the wealth of a new culture. Not only will they be more effective as managers, they will also live fuller, richer lives.

My experience in Mexico indicates that many expatriate managers live in "golden ghettos" of ease with little genuine contact with locals other than servants. Is it any surprise that they become isolated and complain of rootlessness and alienation in their new environment? The lesson for global companies is to give each international manager a local "mentor" who will open doors to the community. Ultimately, however, it is the responsibility of indi-



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vidual managers to open their minds, plunge into their local communities, and try to make them their own.

The winners in the new borderless economy will be companies that make best use of the richness of experience they get from their geographical diversity. Multinational companies have a natural advantage over local firms because they have talented people solving similar problems for identical brands in different parts of the world, and these brand managers can learn from each other's successes and failures. If a good idea emerges in Egypt, a smart manager in Malaysia or Venezuela will at least give it a test.

Business truths are invariably local in origin, but they are often expressions of fundamental human needs that are

the same worldwide. Local insights with a universal character thus can become quickly global—only in the hands of flexible, open-minded managers who can translate such ideas into new circumstances with sensitivity and understanding. My admonition to think local is only half the answer. Managers also must remember to think *global*. The insights we glean from each microcosm are ultimately universal.

Organizational specialists often fear that companies will demotivate their local managers by asking them to execute standardized global marketing packages. If they impose these standardized marketing solutions too rigidly, then this fear may be justified. However, this does not happen in successful companies. In fact, the more common disease in a global company is the "not invented here" syndrome, which especially afflicts subsidiaries and managers whose local triumphs have left them arrogant and unwilling to learn from successes in other parts of the world.

For all our efforts to tap into the roots of Indian pluralism, we were dealing with a global brand. The product itself, the positioning, and the packaging were basically the same everywhere. Global brands are not free-for-alls, with each subsidiary doing its own thing. It took us six

months, for example, to persuade our marketing people to try a new advertising idea for Vaporub that came from Mexico.

It is deeply wrong to believe that going global is a one-stop packaged decision. Local managers can add enormous value as they tap into local roots for insights. But it is equally wrong to neglect the integrity of the brand's core elements. Smart global managers nourish each blade of grass without neglecting the garden as a whole. □

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