

COVER STORY**CHANGING THE GAME**

The one thing that has stood out for **Srinandan Sundaram, Executive Director, Sales & Customer Development, HUL**, is that more of the same will not work, and set ways must undergo change to navigate volatility and register growth

The last several months, with the onset of GST and demonetisation before that, have been the most active for the sales and customer development team at HUL. The challenges that both situations presented were different, with the exception of the disruption in marketplace. But many demonetisation learnings assisted HUL in its GST preparation.

During demonetisation, trade was divided into three parts: those who were better equipped to facilitate card payments such as modern trade adapted much faster; followed by urban markets where traditional trade outlets showed their enterprise in organising credit as well as cashless payments for their customers; and then a third spectrum, which was largely in rural markets, that felt the impact nearly three months later. Similarly, for GST, trade is divided into two broad buckets: those who are compliant, and those who do not have clarity and are depending on chartered accountants.

"We consciously decided to try and understand what was happening across various markets, while staying very close to customers including distributors and trade," divulges Srinandan Sundaram, Executive Director, Sales & Customer Development, HUL.

He points out that, as was the case with demonetisation, external data helped HUL tremendously in navigating through the different situations in GST. "In both cases, where wholesale was witnessing shrinkage, the most valid answer was to go behind direct coverage (by connecting with traders). One round happened during demonetisation. Now, we are in the middle of another round," he says.

This was important also because the company was looking to offer an appropriate solution for both fast and slow adopting, and customise the solutions based on how different geographies responded.

The level of preparation the team had put in for GST for over a year, helped significantly. "HUL's investment in IT and its flexibility to define targets during such changes also played a significant role. We kept the target simple for our-

selves. We shifted our goal posts to steps that would focus on performance and competitiveness. For example, we wanted the first GST bill to be presented to distributors to be from HUL," says Sundaram.

GST saw trade pipelines go down. So the game here on will be about who will get back up faster, and HUL has a role to play in that. Starting with the basics, the company worked very closely with distributors and partners to help explain GST. It conducted GST Meets together with government officials to give more clarity. "We were not the experts in the field. The meet was addressed by the tax commissioner, who is the most credible authority on the subject. And we found the government to be very warm and supportive. People could ask any queries they had. They knew they were getting objective and straight answers," he adds.

While some traders were surprised that GST became a reality, those who had complied with GST, and hence were

“

To summarise our approach to GST, we knew we had to stay very close to the end customer, which is easier said than done because the tendency of a sales system will be to react first. It is not important to be first off the block as much as it is to be first with complete information. The next is that since the sales numbers are going to come under pressure, so define what the most relevant target in this environment should be. First bill out in the market was a target, or number of people who are coming back to the normal run rate is another. Therefore, using analytics to find the pattern on which channel is bouncing back and prioritising spends dynamically, is very critical."



(Top & below)
Celebrating the
first GST Bill:
HUL's Shakti
Amma from
Project Shakti



Applying USLP

For HUL, USLP has to be a source of competitive advantage. Project Shakti is an example in line with the 'doing-well-by-doing-good' approach. Over 72,000 Shakti entrepreneurs help HUL distribute its assortment of products in the far-flung rural areas of the country. In turn, the company provides livelihood opportunities to Shakti entrepreneurs. Similarly, HUL's customer development teams are working with NGOs to address some of the pressing local needs such as water conservation in Maharashtra and educating the girl child in West Bengal.

in the tax bracket, were looking for ways they could better face the added burden. There were expectations that companies such as HUL would support them in this. HUL's answer was that all action would be consumer facing. "The bulk of the retailers were trying to be compliant and for them, the win would be with more footfalls or more value from the same consumer. Therefore, the consumer promotions that we moved to them were higher than normal. They had confidence in us trying to help," explains Sundaram.

In the face of industry disruption, HUL has seen flat volume growth. "There is enough paranoia on growing volume. There are good checks and balances to help us. With the way things are moving, no one knows how much time it will take for things to come back to normal, but we have worked very hard to ensure that we are prepared for all situations," asserts Sundaram. [BW](#)

noor:warsia@digitalmarket.asia; @NFWarsia