

HUL to Focus on High-Demand Packs

Chairman Sanjiv Mehta says plan is to rationalise portfolio and reach 80% of pre-Covid levels

Sagar.Malviya@timesgroup.com

Mumbai: Hindustan Unilever said the number of pack sizes across its brands is now at about 40% compared with pre-Covid levels, part of the country's biggest consumer goods firm's strategy to focus on popular and faster-selling products. The company had prioritised 20% of SKUs (stock keeping units or pack sizes)

in April, then gradually scaled that up to 40%, HUL chairman Sanjiv Mehta said at the annual CITIC CLSA investors conference.

"The plan is to rationalise the portfolio and reach 80% of the level by trimming 20% of SKUs in the medium term," said Mehta, adding that the company has now made 90% of its portfolio relevant and repurposed for Covid times.

The maker of Rin detergent and Dove

shampoo saw its operations come to a standstill when the lockdown was announced in March, but had bounced back to 80-90% of normal levels of production by May.

A lower inventory range typically helps bring efficiency to the supply chain, manufacturing as well as stocking, analysts said.

"HUL's agility in resumption of 100% operations by end-June, primed with products and packs across price straddles to address any down-trading headwinds, accelerated introduction of 50 new products and packs in the first two months of FY21 and accelerated adoption of digital ecosystem to trim down operation cycle," said CLSA in an investor note.

HUL said these actions helped it gain volume market share in 97% of its portfolio and sustain category leadership positions in 90% of the business.

The company, which makes items that straddle the personal, home and food segments, said it is creating backend capacity to try and fulfil demand from distributors on the same day. Since March, the company has been able to reduce the time to capture demand at store level to product fulfilment cycle by at least 15 days.

On Road to Recovery

Number of stock keeping units produced cut to **40%** of pre-Covid levels

Over **50** product and pack innovations since last few months

100% operations restored

90% portfolio made relevant or repurposed for Covid times

50% of general trade business from price point and access packs

230,000 retail outlets onboarded through internal Shikhar app

97% business gaining volume share



Illustration: ANIRBAN BORA