Local Memoirs of a Global Manager

by Gurcharan Das

There was a time when I used to believe with Diogenes the Cynic that “I am a citizen of the world,” and 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 hundred-year-old brand sold in 147 countries and now owned by Procter & Gamble. In the process, 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.

The fact is that truths in this world are unique, individual, and highly parochial. They say all politics is local. So is all business. But this doesn’t keep either from being global. In committing to our work we commit to a here and now, to a particular place and time; but what we learn from acting locally is often universal in nature.

This is how globalization takes place. 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.”

Managerial basics are the same everywhere, in the West and in the Third World. There is a popular misconception among managers that you need merely to push a powerful brand name with a standard product, package, and advertising in order to conquer global markets, but actually the key to success is a tremendous amount of local passion for the brand and a feeling of local pride and ownership.

I learned these lessons as a manager of international brands in the Third World and as a native of India struggling against the temptation to stay behind in the West.

On Going Home

I was four years old when India became free. Before they left, the British divided us into two countries, India and Pakistan, and on a monsoon day in August 1947 I suddenly became a refugee. I had to flee east for my life because I was a Hindu in predominantly Muslim West Punjab. I survived, but a million others did not, and another 12 million were rendered homeless in one of the great tragedies of our times.
I grew up in a middle-class home in East Punjab as the eldest son of a civil engineer who built canals and dams for the government. Our family budget was always tight: after paying for milk and school fees, there was little left to run the house. My mother told us heroic stories from the Mahabharata and encouraged in us the virtues of honesty, thrift, and responsibility to country.

I grew up in the innocence of the Nehru age when we still had strong ideals. We believed in secularism, democracy, socialism, and the U.N.; and we were filled with the excitement of building a nation.

I came to the United States at the age of 12, when the Indian government sent my father to Washington, D.C. on temporary assignment. When my family returned to India a few years later, I won a scholarship to Harvard College and spent four happy years on the banks of the Charles River. My tutor taught me that the sons of Harvard had an obligation to serve, and I knew that I must one day use my education to serve India.

In 1964, in the towering confidence of my 21 years, I returned home. Some of my friends thought I had made a mistake. They said I should have gone on to graduate school and worked for a few years in the West. In fact, I missed the West in the beginning and told myself that I would go back before long; but I soon became absorbed in my new job with Richardson-Vicks in Bombay, and like the man who came to dinner, I stayed on.

From a trainee, I rose to become CEO of the company’s Indian subsidiary, with interim assignments at Vicks headquarters in New York and in the Mexican subsidiary. When I became CEO, the Indian company was almost bankrupt, but with the help of a marvelous all-Indian organization, I turned it around in the early 1980s and made it one of the most profitable companies on the Bombay Stock Exchange. In 1985 we were acquired by Procter & Gamble, and so began another exciting chapter in my life. We successfully incorporated the company into P&G without losing a single employee, and we put ourselves on an aggressive growth path, with an entry first into sanitary napkins and then into one of the largest detergent markets in the world.

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, where I met my Nepali wife with her coveted Green Card (which we allowed to lapse); the third 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.

Apart from a lurking wish to appear considerable in the eyes of those I grew up with, 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 an enigmatic uncle of mine who once said, “You’ve come back, dear boy, 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 hopeless 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 mind-set that combines the particular with the universal, a mind-set rooted in the local and yet open and nonparochial, a mind-set I find useful in the global management of P&G brands.
On One-Pointed Success

I first arrived on the island of Bombay on a monsoon day after eight years of high school and college in America. That night, 15-foot waves shattered thunderously against the rocks below my window as the rain advanced from the Arabian sea like the disciplined forward phalanx of an army.

The next morning I reported for duty at Richardson-Vicks' Indian headquarters, which turned out to be a rented hole-in-the-wall with a dozen employees. This was a change after the company's swank New York offices in midtown Manhattan, where I had been interviewed. That evening my cousin invited me for dinner. He worked in a big British company with many factories, thousands of employees, and plush multistoried marble offices. I felt ashamed to talk about my job.

"How many factories do you have?" he wanted to know.

"None," I said.

"How many salesmen do you have?" he asked.

"None," I said.

"How many employees?"

"Twelve."

"How big are your offices?"

"A little smaller than your house."

Years later I realized that what embarrassed me that night turned out to be our strength. All twelve of our employees were focused on building our brands without the distraction of factories, sales forces, industrial relations, finance and other staff departments. Our products were made under contract by Boots, an English drug company; they were distributed under contract by an outside distribution house with 100 salesmen spread around the country; our external auditors had arranged for someone to do our accounting; and our lawyers took care of our government work. We were lean, nimble, focused, and very profitable.

All my cousin's talk that night revolved around office politics, and all his advice was about how to get around the office bureaucracy. It was not clear to me how his company made decisions. But he was a smart man, and I sensed that with all his pride in working for a giant organization, he had little respect for its bureaucratic style.

If marketing a consumer product is what gives a company its competitive advantage, then it seems to me it should spend all its time building marketing and product muscle and employ outside suppliers to do everything else. It should spin off as many services as someone else is willing to take on and leave everyone inside the company focused on one thing—creating, retaining, and satisfying consumers.
There is a concept in Yoga called one-pointedness (from the Sanskrit Ekagrata). All twelve of us were one-pointedly focused on making Vicks a household name in India, as if we were 12 brand managers. I now teach our younger managers the value of a one-pointed focus on consumer satisfaction, which P&G measures every six months for all of its major brands.

Concentrating on one’s core competence thus was one of the first lessons I learned. I learned it because I was face-to-face with the consumer, focused on the particular. Somehow I feel it would have taken me longer to learn this lesson in a glass tower in Manhattan.

As so often in life, however, by the time I could apply the lesson I had learned, we had a thousand people, with factories, sales forces, and many departments that were having a lot of fun fighting over turf. I believe that tomorrow’s big companies may well consist of hundreds of small decentralized units, each with a sharp focus on its particular customers and markets.

**On the Kettle That Wrote My Paycheck**

For months I believed that my salary came from the payroll clerk, so I was especially nice to her. (She was also the boss’s secretary.) 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 a train ticket and sent me “up-country.” A man of the old school, he believed that you learned marketing only in the bazaar, so I spent 10 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 then showed me how 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.”

Before I could reply she had disappeared into the kitchen. 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.

The irony is that all the money a company makes is made outside the company (at the point of sale), yet the employees spend their time inside the company, usually arguing over turf. Unfortunately, we don’t see customers around us when we show up for work in the mornings.

When I became the CEO of the company I made a rule that every employee in every department had to go out every year and meet 20 consumers and 20 retailers or wholesalers in order 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.

The idea of being close to the customer may be obvious in the commercial societies of the West, but it was not so obvious 20 years ago in the protected, bureaucratic Indian environment. 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.

Of Chairs, Armchairs, and Monsoons

Two years after I joined, I was promoted. I was given Vicks Vaporub to manage, which made me the first brand manager in the company. 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 temptation 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 a host of other minor maladies. We had a big and successful balm competitor, Arunathanjan, 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 and wisely put a stop to that. In an uncharacteristically loud voice, 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 sitting. You never want to mix up functions.”

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 tenderly on her child’s cold at bedtime. As 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 that same lesson. It is of the 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.

This did not prevent us from building a successful business with adults, but as my boss used to say, “Adult colds, that is an armchair. But it is still a chair and not a desk.”

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. 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.

I followed this up by getting our agency to make a cinema commercial (we had no television at that time)
showing a child playing in the rain and catching cold. We coined a new ailment, "wet monsoon colds," and
soon the summer monsoon season became as important as the winter in terms of sales.

Another factor in our success was the introduction of a small 5-gram tin, which still costs 10 cents and
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 5-gram tins than a 19-gram jar. The trade thought we were crazy. They said henceforth 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.

Moves like these made us hugely successful and placed us first in the Indian market share by far. But
instead of celebrating, my boss seemed depressed. He called me into his office, and he asked me how
much the market was growing.

"Seven percent," I said.

"Is that good?"

"No," I replied. "But we are growing twenty percent, and that's why we're now number one in India."

"I don't give a damn that we are number one in a small pond. That pond has to become a lake, and then
an ocean. We have to grow the market. Only then will we become number one in the world."

Thus I acquired another important mind-set: when you are number one, you must not grow complacent.
Your job is to grow the market. You always must benchmark yourself against the best in the world, not
just against the local competition. In the Third World this is an especially valuable idea, because markets
there are so much less competitive.

Being receptive to regional variations, tapping the opportunity that the monsoon offered, introducing a
size for the rural and urban poor, and learning to resist complacency and grow the market—all are
variations on the theme of local thinking, of tapping into the roots of pluralism and diversity.

On Not Reinventing the Wheel

We could not have succeeded in building the Vicks business in India without the support of the native
traders who took our products deep into the hinterland, to every nook and corner of a very large country.
Many times we faced the temptation to set up an alternative Western-style distribution network.
Fortunately, we never gave in to it. Instead, we chose each time to continue relying on the native system.

Following the practice of British companies in India, we appointed the largest wholesaler in each major
town to become our exclusive stock point and direct customer. We called this wholesaler our stockist.
Once a month our salesman visited the stockist, and together they went from shop to shop redistributing
our products to the retailers and wholesalers of the town. The largest stockist in each state also became our Carrying-and-Forwarding Agent (in other words, our depot) for reshipping our goods to stockists in smaller towns. Over time, our stockists expanded their functions. They now work exclusively on P&G business under the supervision of our salesmen; they hire local salesmen who provide interim coverage of the market between the visits of our salesmen; they run vans to cover satellite villages and help us penetrate the interior; they conduct local promotions and advertising campaigns; and they are P&G’s ambassadors and lifeline in the local community. The stockists perform all these services for a five percent commission, and our receivables are down to six days outstanding.

In our own backyard, we found and adopted an efficient low-cost distribution system perfected by Indian traders over hundreds of years. Thank God we chose to build on it rather than reinvent the wheel.

On Taking Ancient Medicine

We learned our most important lesson about diversity and tapping into roots 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. At the same time, productivity at our plant was falling, while wages kept rising. As a result, our profitability had plummeted to two percent 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 special 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. By making our products more accessible, we would enhance consumer satisfaction and build competitive advantage. What was more, a new registration would also allow us to set up a new plant for Vicks in a tax-advantaged “backward area,” where we could raise productivity dramatically by means of improved technology, better work practices, and lower labor costs.

I first tested the waters with our lawyers, who thought our solution to the problem quite wonderful. We then went to the government in Delhi, which was deeply impressed to discover all the elements of Vaporub’s formula in the ancient texts. They advised us to check with the local FDA in Bombay. The regulators at the FDA couldn’t find a single fault with our case and, to our surprise and delight, promptly gave us a new registration.

Lo and behold, all the obstacles were gone! Our sales force heroically and rapidly expanded the distribution of our products to the nondrug trade, tripling the outlets which carried Vicks to roughly 750,000 stores. Consumers were happy that they could buy our products at every street corner. At the same time we quickly built a new plant near Hyderabad, where productivity was four times what it was in our Bombay plant. Our after-tax profits rose from 2% to 12% of sales, and we became a blue chip on the Bombay Stock Exchange.

Finally, we decided to return the compliment to the Indian system of medicine. We persuaded our headquarters to let us establish an R&D Center to investigate additional all-natural, Ayurvedic 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 of all-natural, safe, and effective remedies for a self-limiting ailment sold around the world under the Vicks name grew on them.

We set up labs in Bombay under the leadership of a fine Indian scientist who had studied in the United States. They began by creating a computerized data bank of herbs and formulas from the ancient texts; they invented a “finger-printing” process to standardize herbal raw materials with the help of computers; and they organized clinical trials in Bombay hospitals to confirm the safety and efficacy of the new products. We now have two products being successfully sold in the Indian market—Vicks Vaposyrup, an all-natural cough liquid, and Vicks Hot-sip, a hot drink for coughs and colds. The lab today is part of P&G’s global health-care research effort and has 40 scientists and technicians working with state-of-the-art equipment.

Of Local Passions and Golden Ghettos

The story of Vicks in India brings up a mistaken notion about how multinationals build global brands. The popular conception 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.

But if it’s all so easy, why have so many powerful brands floundered? Without going into the standardization vs. adaptation debate, 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.

What is the universal idea behind Vicks Vaporub’s success in India? What is it that made it sell? Was it “rubbing it on the child with tender, loving care?” Could that idea be revived in the United States? Some people argue that the United States has become such a rushed society that mothers no longer have time to use a bedtime rub on their children when they’ve got a cold. Others feel that Vaporub could make its marketing more meaningful by striking a more contemporary note.

The Vicks story shows that a focus on the particular brings business rewards. But 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 also was 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. But at another level I also began to think of my work as a part of nation building, especially training and developing the next generation of young managers who would run the company and the country. It discharged a debt to my tutor at Harvard and a responsibility that we all have to the future.

Equally, it seems to me, there are powerful though less obvious psychic rewards for an international manager on transfer overseas who chooses to get involved in the local community. When such people 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 also will live fuller, richer lives.
Unfortunately, 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 individual managers to open their minds, plunge into their local communities, and try to make them their own.

On Global Thinking

It would be wrong to conclude from the Vicks story that managing a global brand is purely a local affair. On the contrary, the winners in the new borderless economy will be the brands and companies that make best use of the richness of experience they get from their geographical diversity. Multinational companies have a natural advantage over local companies 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 brand manager in Malaysia or Venezuela will at least give it a test.

The Surat lady’s teakettle became the basis of a national campaign in India. “One-pointedness” emerged from a hole-in-the-wall in Bombay, but it became the fulcrum on which we built a world-class business over a generation. Advertising for colds during the hot monsoon months seems highly parochial, but it taught us the importance of advertising year round in other places. The stockist system found applicability in Indonesia and China. Even the strange Ayurvedic system of medicine might plausibly be reapplied in the form of efficacious herbal remedies for common ailments in Western countries.

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—though 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 express a 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.

We in India were no different. But slowly and painfully we learned that useful lessons can emerge anywhere. 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 asked the consumer to use Vaporub on three parts of the body to obtain three types of relief. When we finally tried “Three-by-Three” in our advertising, it worked brilliantly.
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.

On Karma

Although the principles of managing a business in the Third World are the same as in the West, there are still big differences between the two. For me, the greatest of these is the pervasive reality of poverty.

I have lost the towering confidence of my youth, when I believed that socialism could wipe away poverty. The problem of socialism is one of performance, not vision. If it worked, we would all be socialists. Ironically, the legacy of the collectivist bias in Indian thinking has been the perpetuation of poverty. We created an over-regulated private sector and an inefficient public sector. We did not allow the economy to grow and produce the surplus that might have paid for direct poverty programs. We created an exploitative bureaucracy that fed on itself. Today, happily, we are righting the balance by liberalizing the economy, reducing state control, and restoring legitimacy to the market. I am confident that these changes will foster the entrepreneurialism and economic vitality India needs to create prosperity and eliminate the destitution of so many of its people.

Despite the problems, I find managers in India and other poor countries more optimistic than their counterparts in rich nations. The reason is that we believe our children will be better off than our parents were, and this idea is a great source of strength. We see our managerial work as nation building. We are the benign harbingers of technology and modernity. As we learn to manage complex enterprises, we empower people with the confidence they need to become responsible, innovative, and self-reliant.

It seems to come down to commitment. In committing to our work we commit to a here and now, to a particular place and time. The meaning in our lives comes from nourishing a particular blade of grass. It comes from absorbing ourselves so deeply in the microcosm of our work that we forget ourselves, especially our egos. The difference between subject and object disappears. The Sanskrit phrase nishkama karma describes this state of utter absorption, in which people act for the sake of the action, not for the sake of the reward from the action. This is also the meaning of happiness.

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