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Paul Polman

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ALUMNI PROFILE

At The Helm of a Consumer-Goods Giant, Paul Polman Keeps His Eye on More Than Market Share

BY PAT MATSON KNAPP

Staying the course— of change

Today's economic landscape looks familiar to Paul Polman.

It was amidst the financial instability of the late 1970s, after all, that he decided to move from his native Netherlands to pursue two graduate degrees at UC. Then, as now, he recognized the economic downturn as an opportunity.

“Like now, the economic situation was not that encouraging and I felt [obtaining a graduate degree] would significantly enhance my knowledge and experience, allowing me to find better career opportunities,” he recalls.

Thirty years after earning dual master's degrees in finance/international marketing and economics, Polman recently took the reins as chief executive officer of consumer-goods giant Unilever. Before Unilever, his studies at UC helped launch a 26-year career at another consumer-goods leviathan—Procter & Gamble—culminating with his position as group president of P&G Europe. From 2005 through 2008, he was chief finance officer for the world's largest food company, Nestlé.

LESSONS LEARNED

The lessons he learned at UC have held Polman in good stead during this three-decade career in the consumer-goods industry. Pursuing dual degrees while holding down a job forced him to focus intently on his goals. Taking evening as well as day classes also exposed him to some “extremely interesting people who were motivated and focused and brought significant experience to class,” he says.

Polman chose an American university because he wanted to be exposed to the world's top business leaders. “During my undergraduate courses at the University of Groningen

[the Netherlands], it became apparent to me that many of the thought leaders were actually in the U.S. I simply felt it was better to go where the action was and improve my English along the way. Fortunately, friends of my parents lived in Cincinnati and were kind enough to take me in.”

Polman enrolled in the economics department under professor Joseph L. Craycraft who admitted him into the graduate program and offered him a scholarship to teach Samuelson 101. “That allowed me to stay in the country, as the dollar was strong at that time and my family did not have the means to finance my studies.” A year later he met professor Lew Melnyk and entered the College of Business, majoring in finance. “It was an exciting time, intellectually stimulating, but also demanding. Careful time management was required.”

NAVIGATING CHANGE

The same dynamics have applied throughout Polman’s career, which started in 1979 when he was snapped up by P&G. He filled various finance assignments in Belgium, Holland, and France between 1979 and 1986. In 1986, he was named category manager and marketing director for P&G France’s Baby, FemPro, Cleanser and Beverages, then earned his first vice president position, managing P&G Iberia, in 1989. He continued up the P&G ladder, serving as vice president and managing director of P&G UK, then president of Global Fabric Care before being named group president of P&G Europe in 2005, responsible for P&G’s entire Western European business.

In 2005, Polman returned to his finance roots, leaving P&G to become Nestlé’s chief financial officer. At the Swiss company, he pushed managers to cut fat and eliminate weak products, and set aggressive profit targets. In September 2008, he was named chief executive officer at Unilever. There, as always, Polman’s work demands a comfort level with complexity and change. At Unilever, he is presiding over the final stages of a major cultural and business transformation started by his predecessor, Patrick Cescau, in response to rising commodity prices and other dramatic changes in the world market.

“Patrick Cescau has done an amazing job transforming this company over the last four years and preparing it for today’s challenging times,” says Polman. “Unilever is now a fitter, leaner, more competitive organization, ready to compete in today’s environment. My simple goal is to ensure that this wonderful institution will be even stronger when I leave. And hopefully, along the way, I will have made a positive difference for many.”

“NURTURING THE CORE”

Providing strong business leadership in today’s economic climate is more challenging than ever, Polman admits. But working for three of the world’s largest consumer-goods companies has taught him that while encouraging growth is important, it’s not all about market share.

“I’ve been fortunate to work for some of the best consumer goods companies in the world,” he says. “They are all passionate about the consumer and improving the societies in which they work and operate. However, it is also clear they have different



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histories, cultures and operating models. The key is to be respectful of a company's history and culture and only carefully stimulate progress whilst nurturing the core."

After joining Unilever, Polman told the *Wall Street Journal* he plans to accelerate Unilever's growth, but not at all costs. Fighting for market share above all else is a trap that can lead companies to cut prices too steeply or chase low-margin products, he said. "We are not going to have a mentality to grow at the expense of others," he told the newspaper.

DOING WELL BY DOING GOOD

This type of leadership—founded in deep beliefs and values—is what Polman believes will drive the success of companies like P&G, Nestlé and Unilever. "Successful leadership requires a high level of integrity and trust, today more than ever. This is true for us individually, but also how we work together as teams. Bill George's books, *Authentic Leadership* and *True North*, describe it well."

Polman believes business plays an important role in improving society and helping to tackle issues such as poverty, global warming and water shortages. "Creating a better world is equally important for business, which simply cannot succeed in societies that fail," he notes. He believes business schools should introduce more socio-economic elements into

their programs, exposing students to the impact that social trends and public policy can have on business. "The significant events we have seen in the financial markets are affecting us all, and it is clear that politics and public policy will need to drive the solution rather than Wall Street alone."

Polman says it's important for business managers to think



across borders. "This requires a new breed of transnational managers who can easily move physically or mentally from one country to the next, with integrity and courage to help shape the many debates and policies."

In today's environment, he adds, business leaders must be flexible, learn to deal with ambiguity and continue learning new skills to adapt to a constantly changing business landscape. And they must learn to develop a compelling vision, energize others around it and drive toward it with determination and discipline.

Polman returns to UC periodically to share his experiences with students and has hosted Lindner Honors-PLUS students at his offices in Europe. "I have always been impressed by the quality of the students at UC," he says. "The university has many good things to offer." He often urges students to share those "good things," telling them: "You can achieve anything you want if you are passionate about it. And you can do well by doing good. It was the Dalai Lama who said:

'If you seek enlightenment for yourself to enhance yourself you miss the purpose. If you seek enlightenment for yourself to enable yourself to serve others, you are with purpose.'"

UC MEMORIES

Polman holds many treasured memories of his time at UC, but perhaps his fondest is meeting his wife Kim, who was studying at the College-Conservatory of Music.

"As part of her arts administration program she had to take a course on unions," he recalls. "I took the same course, called 'Collective Bargaining,' and that's where we met. After 29 years of marriage, we're still able to handle the conflicts!" ■

Pat Matson Knapp is a Cincinnati-based writer and magazine editor.

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