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Social Innovation:
How values-led brands are helping to drive Business Strategy

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I am delighted to be here on behalf of Unilever and to be able to set out why having a positive impact on society is absolutely central to us, to our mission, to our values and to our global business strategy.

I would like to start by saying something about Unilever. And, as they say, to understand the adult you must first know the child.

To understand Unilever's mission and values we must first go back in time.

Unilever's history

It starts over 100 years ago in 1885, when William Hesketh Lever and his brother James – the founders of the British half of our business – launched the world's first branded and packaged laundry soap, called Sunlight.

In doing so, they created not just one of the world's first consumer brands, but also a company with strong social values and with a mission to act as an agent of social change.

That mission has not changed to this day.

William Lever was no ordinary man. He had a strong sense of injustice about the inequalities in British society.

He built a 'garden village' for his workers at Port Sunlight away from the appalling living conditions and poor-health that was normal in Victorian Britain. He pioneered labour initiatives. He introduced a fixed eight-hour working day, sickness benefits, holiday pay and pensions. All these were unheard of at the time.

He also set out a vision for his new company: It was:

...to make cleanliness commonplace, to lessen work for women, to foster health and contribute to personal attractiveness, that life may be more enjoyable and rewarding for the people who use our products.

All this from a bar of soap.

But don't forget. Back in 19th century Britain, much of the population was living in poverty, with limited access to proper sanitation. The arrival of a bar of good quality, low-cost soap did much to improve levels of hygiene and health across the country. Just as it does in other parts of the world today.

In fact, so successful was Sunlight that, in 1894, the Lever brothers launched a second, even lower-cost soap called Lifebuoy. The specific purpose of the Lifebuoy brand – what today we would call the brand proposition – was 'for saving life' and 'for the preservation of health'.

The legacy carries on

Now let's fast-forward a century to 2006. The company that William and James Lever started - which merged with the Dutch company Margarine Unie in 1929 to form Unilever - is now a global consumer goods business.

Over the years, the world and Unilever have changed dramatically. But what hasn't is Unilever's values and its commitment to corporate responsibility and social innovation.

Our mission today is based around the concept of Vitality. It is:

To add vitality to life by meeting everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life.

Not so very different from the one William Lever set out over 100 years ago.

Today, we have operations in more than 100 countries. Our products are sold in pretty well every country. We still make soap and margarine, but today alongside 400 other everyday food, household and personal care brands.

Unilever was not only a pioneer in making and marketing brands, but also in taking its products and philosophy into international markets, including the developing world. The first bars of Sunlight soap arrived in India in the summer of 1888. Over the next 50 years, operations were established on every continent.

Today, consumers choose our products over 150 million times a day and in every part of the world, from Argentina to Bulgaria and from Kenya to Vietnam.

Meeting the needs of first-time consumers

Unilever's deep roots and early and widespread engagement in developing and emerging markets have made us a pioneer in meeting the needs of first time consumers.

Around one billion people have become first time consumers of manufactured goods in the past 10-15 years. The estimate is that another billion people will themselves, for the first time, also become consumers in the next decade.

Let me give you an example. Lifebuoy soap is still sold today. And it is still saving lives.

Somewhere in the world a child dies every ten seconds from diarrhoea. One third of these deaths are in India. That's a million deaths a year in India alone. Most are children under five. Yet, according to the World Bank, hand-washing with soap and water can reduce diarrhoeal diseases by nearly 50 per cent.

Lifebuoy has been India's leading soap brand for decades. But building our business has meant having to attract new consumers – including the 70 million people in India who never use soap.

With two-thirds of the population living in rural areas not reached by mass-media, that's not been easy. Add to this the challenges of widespread illiteracy and the popular belief that if hands look clean they are clean.

It was clear that we had to think big - and creatively - if we were going to get across the message about the benefits of hand-washing with soap and grow Lifebuoy's market. So a few years ago we launched the largest rural health and hygiene education programme ever undertaken in India.

It's called *Swasthya Chetna*, or 'Health Awakening'. It aims to educate 200 million people in India. That's nearly 20 per cent of the population.

Health education teams visit thousands of schools and communities, many in remote areas, to teach children about the existence of germs and the importance of hand-washing with soap. Children put on shows about fighting germs, and health clubs organise events such as community bathing. The Lifebuoy health team also gives every child a height and weight check-up and invites mothers to health education sessions.

The process of engagement, from initial contact to self-supporting health clubs, takes two to three years. And to help those on low incomes, we've introduced a smaller 18-gram bar of Lifebuoy, enough for one person to wash their hands once a day for 10 weeks. It sells for two rupees – the price of four cups of tea.

The results of Swasthya Chetna

And it has achieved a lot. We started the programme in 2002 in the eight Indian states with the highest death rate from diarrhoea and the lowest sales of soap.

By the end of 2004, the campaign had reached 70 million people, including 20 million children in 18,000 villages. The cost to Hindustan Lever, our Indian business, was around three million dollars. We've now adopted the model in Bangladesh and we intend to extend it to five sub-Saharan Africa countries next year.

It's too early to say what impact this is having on reducing disease. However, the Indian government is keen to talk to us about extending the programme beyond our five-year commitment. The commercial results are much easier to quantify. Sales of Lifebuoy are growing by 20 per cent a year.

Swasthya Chetna is not about philanthropy. Rather, it confirms our fundamental belief that the health and prosperity of our business is directly connected with the health and prosperity of the communities we serve. That means looking at the consumer in an holistic way: where they live, how they live their dreams; their needs; their income; and developing products that help to meet these requirements. That is the route to delivering sustained shareholder value and becoming a top performing company.

Corporate Responsibility defined

It isn't philanthropy, it's business. For us, social responsibility is about creating social benefits through our brands and through our interactions as a business with society. It's the business of doing business responsibly.

Philanthropy, or giving money and our people's time to local causes and charities, also has a part to play, not least as seed-corn funding for social projects or through cause-related marketing.

But it is only the tip of the iceberg in terms of the positive social and economic impacts a business such as ours can make.

That said, it is quite a sizeable tip. Last year we contributed over 100 million dollars – equivalent to 1.7 per cent of pre-tax profit – to community activities. In total we supported nearly 12,000 community organisations around the world.

The business case for social responsibility

Doing business responsibly and successfully – or, if you prefer, doing good and doing well – are two sides of the same coin.

For Unilever, the business case for corporate responsibility can be summarised in four ways: sustainable development, building reputation, growing markets, and fuelling innovation.

Sustainable development

Let me start with sustainable development. Over two-thirds of the raw materials we use come from agriculture. We are one of the world's biggest purchasers of black tea, palm oil, spinach, peas and tomatoes. Growing these crops and manufacturing our products requires a lot of water. And consumers need water to cook, wash and clean with our products. So there isn't a Unilever World and a Natural World. If intensive farming practices mean crops can't grow or there's not enough water to irrigate them, then there will be no pasta sauces or margarine to sell.

Crops must be grown sustainably and farmers and consumers must have access to water. We have two major sustainability initiatives in place in agriculture and water. We are working with farmers and producers to improve sustainable farming practices and reduce the amount of water needed to grow them.

Of course it is partly self-interest, but we're very proud of our initiatives. In fact for eight years running we have been category leader for our industry in the Dow Jones Sustainability Index.

Reputation

The second point is reputation. And social responsibility and sustainable development are central to reputation.

A good reputation is earned through many other factors including quality and reliability. But increasingly it is built on trust. Companies, especially multinationals, are under the spotlight as never before. Events of recent years have driven public trust in business to its lowest point ever. This has meant closer scrutiny, more regulation and increased scepticism over motives and behaviour.

However, public trust is now a major source of competitive advantage for those that can build it. This is especially true of those operating effectively in emerging markets. Yet trust, as we know, is slow to get and easy to lose. For instance, some companies have launched Western brands into developing markets only to be surprised when consumers mistrust their motives, disbelieve their statements and boycott their products.

Unilever has spent years building trust in many of these markets; investing in local communities and in local economies. We are never complacent and we do recognise that success in all markets, and especially developing and emerging ones, has to be built over time and constantly nurtured.

The third and fourth pillars of the case for social responsibility are growing markets and fuelling innovation. These are linked, so I want to look at them together.

Firstly, growing business through innovation in D&E markets. Secondly, how social, economic and environmental concerns among western consumers are fuelling innovation in developed markets.

Growing business in D&E markets

Developing and emerging markets represent enormous growth opportunities. They provide the potential to drive substantial and significant social benefits, especially for people living on the world's smallest incomes.

By 2010, consumer spending in such markets will overtake that in developed countries in purchasing power parity. An estimated 23 trillion dollars will be spent on consumer goods. That's more than North America and Europe combined. Much of this growth will be in China and India. If current rates of GDP growth are sustained, these countries will overtake the UK and Japan to join the US as the world's largest economic powers by 2035.

With such massive untapped opportunities and slowing growth in some mature markets, developing and emerging markets offer higher growth potential. For Unilever, these markets already account for nearly 40 per cent of our sales revenue.

Based on current projections, our sales in D&E markets will overtake developed markets within five years. In the first half of this year, our business in these markets grew by 8 per cent, against 1 per cent in Europe.

Don't get me wrong, Europe matters to us. It is still our heartland and accounts for 45 per cent of our revenues. But increasingly we will look to developing and emerging markets for future growth.

The base of the pyramid

Against this background, the potential for social benefits will be substantial at every level of the economic pyramid but particularly at the base, where Unilever has long-standing strength and marketing expertise.

Professor C.K. Prahalad has influenced all our thinking in this area. As he says, if you look at the global population of consumers as a pyramid about 800 million consumers can be categorised as 'wealthy'. They have an annual purchasing power equivalent to more than 15 thousand US dollars per household.

The next level, in the 'middle of the pyramid', is the emerging middle class. These 1.5 billion people are able to spend between 15 hundred and 15 thousand dollars a year.

But these groups, while large, are dwarfed by the base of the pyramid. Some four billion consumers spending less than fifteen hundred dollars a year. Despite the continuing spread of economic wealth, the bottom segment remains not just the largest, but the fastest-growing segment.

To quote the wise words of C.K. Prahalad from his book, 'The Fortune at the Bottom of the Pyramid':

"The aspiring poor present a prodigious opportunity for the world's wealthiest companies. But it requires a radical new approach to business strategy."

New mindsets

This global pyramid has huge significance for today's global consumer goods companies. This is especially true given the mature nature of the markets they face in much of the developed world.

In the search for fresh growth opportunities many companies have entered D&E markets with a blinkered focus on the top of the pyramid or, at most, the top two levels.

In doing so, they have essentially thought from 'West to East'. They see emerging economies as an opportunity to sell aspirational, western-style consumer goods to those at the top of the economic pile. But this approach is rapidly running out of steam.

As the top of the pyramid becomes saturated in many sectors, some multinationals are finding themselves 'growth-starved' in these markets. They are now having to use their existing capabilities to move down to the emerging middle class, where growth remains strong.

But they are still missing the real opportunity. The sheer size of the base of the pyramid presents enormous commercial potential. But because of the relative poverty of the people involved it also offers significant scope for positive social impact.

However, reaching four billion people presents major challenges to the embedded mindset of many western multinationals.

This is because at the base of the consumer pyramid in emerging markets, conventional wisdom gained in developed markets does not apply. It can even be counter-productive.

Our experience and research is clear. It shows that the traditional multinational model of local subsidiaries operating with globally-imposed processes, capabilities, structures and branding is not up to the job in these low-income markets. One size does not fit all. Instead, companies need to recognise that western-style patterns of economic development may not occur.

Success will depend on the ability to capitalise on the strengths of the existing environment rather than trying to overcome its weaknesses. Replicating the west won't work. To put it at its simplest, we will not change these markets. So we must let them change us.

New ways of working

This means developing new mindsets and new ways of working.

Let me give you an example of how this is working within Unilever. I want to do so with the help of a short film. It's about a project of which we are particularly proud.

It's called the Shakti project and it shows what Unilever is doing at the point where social responsibility, sustainability and business strategy all meet.

As you can see, Project Shakti shows how a lack of retail infrastructure in rural India encouraged us to develop new ways of reaching consumers through direct selling.

This requires a deep understanding of what consumers really think and need. That is why nine of out ten Unilever employees in D&E markets, including our managers, are local inhabitants.

They are drawn from the same communities as our consumers. They spend time living with some of the poorest people. Seeing how they live. What's important to them. The choices they have to make.

I do it myself. Every country I visit, and I visit around thirty a year, I spend time with consumers, often in their own homes. You learn that aspirations are universal. People, wherever they are, want to look good, feel good and get more out of life. What is different is the choices that they have to make.

Succeeding at the middle and base of the pyramid, therefore, requires a fresh mindset, different capabilities and, very often, a new business model. It might mean different price points, redesigned packaging, new types of partners, custom-built solutions, building local capacity.

It will certainly mean a fresh approach to consumer affordability. Instead of the traditional cost plus margin method of determining price, we've had to re-engineer our thinking. To start with price. What can consumers afford? Then you find a cost base that supports your margin. It's thinking like this that has led to single-use sachets of shampoo, mini deodorant sticks, individual bouillons and single-use tea bags, all of them highly successful innovations.

Unilever has been developing, and nurturing, these skills and experiences for over seventy years. It is why we believe, that as a business we are uniquely well-placed to take advantage of the evolving global economic pyramid.

Our footprint in the D&E world is bigger and deeper than anyone else's. Our businesses in many of these countries are well accustomed to building large and successful mass markets from scratch.

Take India. Some 700 million consumers use one of our brands every day. Those brands are available in more than 6 million outlets. Nine of them feature in the country's top twenty most recognised brands.

Key to our success in these markets has been an ability to innovate. Not just in product development but in all areas of our business. From packaging to distribution to formats and delivery. Where necessary we use these capabilities to re-engineer our business and help drive market development among lower-income consumers.

Many of these innovations also have a clear social benefit. Our laundry business, for example, has responded not just to the affordability of consumers in D&E markets but also to growing concerns around the scarcity of water.

Our detergent product, Surf Excel Quickwash enables households in India to get the same results but with two less buckets of water per wash. Last year, sales of the product grew by 50 per cent in the water-stressed southern Indian states. Delivering wider health or social benefits like these are often best achieved in collaboration with others.

A good example is a case study where we changed our cost base to develop a product for low-income consumers. This example is from Africa and from the foods side of our business.

Annapurna in Ghana

According to UNICEF, 740 million people suffer from iodine deficiency. That's more than the population of the US and EU combined.

This causes goitre, lower IQ, brain damage, still-births, miscarriages and congenital abnormalities. As a result, iodine deficiency limits people's individual potential, bringing far wider social and economic problems. UNICEF believes that adding iodine to salt used for cooking is the best way to tackle the problem.

But that is not as easy as it sounds. Take Ghana, a country where iodine deficiency is a major problem. Here numerous public health campaigns have met with limited success. This is largely because switching to iodised salt costs twice as much as raw, non-iodised salt.

In India, we had developed a low-cost iodised salt called Annapurna. It was the first brand to be endorsed by the International Council for the Control of Iodine Deficiency Disorders.

Our Foods team in Africa could see the commercial and public health potential of Annapurna in Ghana. But the only way to persuade people to switch from raw salt would be to sell Annapurna close to the same price. And the only way to do that would be to re-engineer the entire supply chain, production and marketing process.

The programme and its impact

That was the challenge and that's what we did. We set about increasing the consumption of iodine by the entire population of Ghana. To get prices as low as possible we rethought the entire cost structure. Anything that did not add value in the production, distribution and sales process was taken out.

We outsourced production locally. We created 200 local jobs. We invested time, money and know-how in raising the quality standards of local salt manufacturers. And we arranged deliveries with stallholders in weekly village markets to keep down distribution costs.

As with Lifebuoy, we packaged Annapurna in sachets as small as 100 grams and at prices as low as six US cents. That put it within reach of some of Ghana's poorest families.

And then, instead of advertising, we organised roadshows around the country to build consumer awareness and confidence. We used the same messages as those of the Ghana Health Service to let people know that Annapurna iodised salt is good for growing minds. The result has been a win-win-win.

For Ghanaians, for our partners, and for Unilever. When we launched Annapurna in 2000, just 28 per cent of the population used iodised salt. Within two years Annapurna helped to nearly double usage to half the population.

And the numbers are still rising. It has helped our partners, UNICEF and the Ghana Health Service, with their health targets. And, the product has been profitable for Unilever.

That said, while projects of this kind are profitable, we are also engaged in them because we believe, strongly, that as a corporate member of society we have a role to play in tackling social challenges.

That is why we are signatories to the United Nations Global Compact and support the Millennium Development Goals and Johannesburg Declaration. These call on all sections of society to work together to address poverty reduction and the challenges of poor health, disease and malnutrition. We want to play our part. And we do it even more effectively when we work with others.

Partnerships

Indeed, as the Annapurna example shows, we could not have achieved success in Ghana without UNICEF and the Ghana Health Service. It is these kinds of cross-sector collaborations and partnerships that are key to business tackling societal issues.

In 2004, building on our experience in Africa and in other parts of the world, we signed a global partnership agreement with UNICEF to tackle together the fourth Millennium Development Goal. It aims to reduce child mortality among the under-fives by two-thirds by 2015.

As a leading health, hygiene and nutrition products company – indeed the only global company that combines skills and expertise in these interconnected areas – we are able to support the strategic aims of UNICEF.

We are now working with them across the world on issues ranging from child health and nutrition education, to water and sanitation projects and complementary feeding in Latin America.

At the same time, we are working with other partners. For instance, the World Food Programme on delivering nutrition education in Africa; the World Dental Federation to encourage better oral health; the World Business Council for Sustainable Development on the future of global water resources; and the international Roundtable on Sustainable Palm Oil to ensure sustainable approaches to its production and use.

Economic as well as social benefits

I want to talk in a little more detail about one particular initiative we entered into. This was with the anti-poverty NGO, Oxfam GB and its Dutch arm, Novib, and it has been particularly instructive.

Some NGOs view multinationals operating in developing countries with suspicion. They believe they are extractors of wealth and hinder the fight against poverty.

By contrast, we have always believed that businesses such as ours can make a significant contribution to local economies and wealth creation. However, it wasn't something we had ever actually measured.

So in 2003 we teamed up with Oxfam. In the UK *The Financial Times* described us as 'strange bedfellows'.

We decided to collaborate on an in-depth study into the socio-economic impact of our business in Indonesia. It's a country where more than half the population lives on less than \$2 dollars a day.

Our purpose was to discover whether our interventions there were helping or harming the nation's poor. And we committed to publishing the results. For two years we gave Oxfam access to our internal documents, figures and forecasts. And let them interview our employees.

Not surprisingly, this involved a steep learning curve and a degree of discomfort on both sides. But the experience of working together and the findings of the report were valuable for both partners.

The report showed that a significant majority of the total cash value generated by Unilever Indonesia remains in Indonesia. This is in the form of government taxes, payments to primary producers and suppliers, and in incomes generated for distributors and retailers.

Of pre-tax profits, two-thirds remain in Indonesia as corporation tax, local dividends and investments. Most important, perhaps, the study showed that while our operations there employ about five thousand people, the business creates the equivalent of 300,000 full-time jobs – more than half of them in the distribution and retail chain.

The exercise highlighted the extent to which business can indeed have a major positive economic as well as social impact in developing countries.

However, it also brought home to us our limitations in helping to lift people out of poverty. Often, the most vulnerable are those at the furthest ends of the value chain. For instance, small farmers and shopkeepers.

We can't tackle these issues alone. That's one reason why we support the Millennium Development Goals and the Johannesburg Declaration Summit. These commit governments, civil society and the private sector to work together in developing solutions to realise the first development goal - halving income poverty.

I hope that our work with Oxfam will help to inform that debate. We are already going further ourselves, with a specific follow-up research programme for our business in Africa where the issue of growth-led development is highly relevant.

But we don't just want to inform and broaden the debate. We also want to look for practical contributions we can make.

That is why we are one of seven international businesses that have signed up to the Investment Climate Facility (ICF) – a new public-private partnership which aims to address some of the strategic bottlenecks holding back trade and investment in Africa.

It came out of last year's Commission for Africa Report and focuses on the basics of business. Registration, customs, tariffs and so on. As such it is a practical attempt to change for the better.

Addressing consumers' concerns about society through brands

I'd now like to talk a bit about consumer concerns. Today, people are much more aware of global concerns, whether poverty, famine or disease. They worry about these and other issues, such as global warming, water scarcity and the depletion of natural resources. Look at the way people are flocking to see Al Gore's film, *An Inconvenient Truth*.

Part of the consumer response is to look for products that not only make them feel good and look good, but that also help them do good. This has resulted in the rise of products in Western markets that appeal to what some refer to as 'conscience consumers'.

What was the preserve of a handful of niche companies a few years ago is fast becoming mainstream.

Companies and brands are scrambling to acquire or invest their brands with social and environmental credentials. Hence, in March of this year, L'Oreal bought the Body Shop; Cadbury-Schweppes bought Green & Black's organic chocolate; and back in 2000, Unilever bought Ben & Jerry's.

For their consumers, Ben & Jerry's campaigns to 'lick climate change' and save polar bears, and their decision to become the first food company in the US to use only cage-free eggs, are as appealing as the taste and flavour of their ice-creams. And for fans of Ben & Jerry's, you will know that that is no mean feat.

So, increasingly consumers want their favourite brands to support specific social causes. They will choose a brand that resonates with their hopes and concerns as citizens, as well as their desires and needs as consumers.

Dove and Women's self-esteem

Another good example of this in action is the work our Dove brand has been doing to help women and girls raise their self-esteem through its Campaign for Real Beauty.

Research shows 90 per cent of women aren't happy with the way they look. There is a strong link between physical appearance and self-esteem. This can lead young women to opt out of activities, under-perform at school and, for a growing minority, leads to eating disorders.

Much of the problem lies with the unrealistic images of women portrayed in advertising, fashion and the media. The Campaign encourages women to see beyond this stereotypical view and celebrate beauty as a wider concept. The Dove Self Esteem Fund works in partnership with organisations such as Girl Scouts of America, The Eating Disorders Association and with schools to educate girls and inspire them to feel more confident about the way they look.

By the end of 2008, one million young people in 20 countries will have been reached with a self-esteem education programme. And the Campaign has received enormous support among health professionals, celebrities and women generally. It is no coincidence that sales of Dove products have grown rapidly.

Brand imprint

The successful brands of the future, we believe, will be those that not only satisfy consumers' functional needs but also address their concerns as citizens.

Of course, believing this and making it happen are two different things. That is why we are developing a new process that enables a full analysis of social, economic and environmental issues relevant to each brand to be built into brand innovation and development strategies. We call it Brand Imprint, and we are piloting it with a number of our key global brands.

Brand Imprint helps brands to identify and measure their social, economic and environmental impacts and analyse their consumers' concerns as citizens. It also assesses the market and regulatory forces driving sustainability. It enables brands to identify in a systematic way the issues that they should address.

It adds an extra dimension to our Vitality mission, helping to bring it to life. And it will, in future result in more of the kind of win-win strategies I have already described.

None of this is easy. Much of what I have talked about today involves abandoning old certainties and creating new challenges. Adopting new mindsets; the collaboration with Oxfam; the integration of social, economic and environmental issues into every aspect of our thinking - they're all examples of new thinking.

Within Unilever people come to this agenda from different starting points and with different perspectives. Our sales teams and sustainability specialists, for example, have converged from very different angles.

But we are all ending up in the same place. We're all getting used to the idea that building our business and having a positive social impact are not separate objectives. They are one and the same.

Summary

So to summarise. There have been ten key themes to my presentation:

- The health of business is linked to the health of the community. If you want to have thriving main streets you have to have thriving back streets.

- Social responsibility is about more than philanthropy. The most effective and sustainable way a business can benefit society is through the business of doing business responsibly.
- Our work in Africa and India shows that doing well and doing good are two sides of the same coin.
- For Unilever, tackling social, economic and environmental issues is an integral part of our Vitality mission and business strategy.
- Social responsibility is not just about sustainable development and building reputation. It's also about growing markets and fuelling innovation.
- As developing and emerging markets drive global business growth over the coming decades, the potential for significant social and economic benefits, particularly for people at the base of the pyramid, will be considerable.
- Companies that succeed will be ones that serve the whole pyramid – with products for consumers at every economic level. Success in these markets requires a good reputation built over time, and also new ways of thinking and new ways of working. By contrast, companies that try and 'gate-crash' these markets or simply try to replicate Western products and western ideas will fail.
- Given its history and global footprint Unilever is uniquely well-placed to benefit from the evolving economic pyramid.
- Cross-sector partnerships between governments, international agencies, NGOs and other civic society organisations are becoming key to doing business, as well as key to tackling social challenges.
- Consumers want to do good as well as look good and feel good. Concerns about social and environmental issues provide opportunities for brands to connect with their consumers at a deeper level and, in doing so, gain competitive and sales advantage.

Conclusion – a challenge to educators

To conclude, I started this presentation by talking about William Hesketh Lever. He had a vision for his soap company that was as far-sighted as it was ambitious. A lot has changed in the last 120 years.

But as we tackle the challenges of doing business in the 21st century, particularly in addressing the needs of people living on some of the lowest incomes in the world, I am reminded that the challenges we face are not so very different from the ones he set out to overcome.

They are simply bigger. And more complex. They will require business managers with the skills and capabilities needed to benefit from the new opportunities. A global mindset coupled with local roots and understanding.

So, I would like to end with a challenge. In the world that we are now entering, it is not only the mindset of multinational businesses that needs to change, but the skill-set of the people we employ.

The fundamental shift I have described - corporate social responsibility, having a positive impact on society - are no longer optional add-ons. They are an integral part of business strategy and business practice.

So our requirement for talent is as great as ever. But talent with a difference. Today, and increasingly in the future, we need people with an innate and profound understanding of business's social and environmental impacts and potential.

We are already testing for competence and sensitivity in this area in our own graduate recruitment process. But in our view, management education has a key role to play.

We are pushing in this direction ourselves through our involvement, along with partners such as BP, Oxfam and M.I.T., in Project Elias – a joint initiative to create a learning environment for the next generation of leaders. The project addresses the interconnected business, social, environmental, political and cultural challenges of the 21st century. It is, I believe, a good start.

But there is a need to go further and faster. We need to embed similar programmes at all levels of management education and in all parts of the world. You have already taken a lead here with this Global Forum. I congratulate you on that. It has been a great privilege to have had the opportunity to share Unilever's thinking with such a distinguished audience.

But I urge you now to build on this Forum. To take the findings of this event and to use the networks you have established to convey a clear message. The rules of the game are changing.

Doing business in the 21st century is already profoundly different from the closing years of the last. New skills are required, new understandings. We, business, need managers and leaders with a much broader set of capabilities. You have the task to provide them. Together, we have the opportunity, quite literally, to change our world for the better.

Thank you very much.

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October 24 2006