

Nielsen Featured Insights (CXO Series) Delivering consumer clarity

Conversations in Leadership

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Reflections on a very special interaction with Shri Ratan Tata, Chairman Tata Sons and Dave Calhoun, CEO Nielsen on a host of topics including leadership, winning in emerging markets and India's global footprint.

If Nielsen's Consumer 360 event in Delhi delivered a volley of powerful insights on the Indian market place, a more intimate conversation later in the day was a chance to catch our collective breath and hear from two of the most transformative leaders I've ever met.

The first is known throughout the world as one of the great global leaders. Shri Ratan Tata, as the chairman of Tata, is one of the most influential businessmen on the planet. When partnered with Nielsen's seasoned CEO David Calhoun, we had quite a conversation underway. I was lucky enough to be the one asking the questions. A handful of India's leading executives also got a front row seat.

The topics discussed, truly ran the gamut but economic growth in emerging markets was core to the conversation.

Calhoun was of the opinion that India was certain to benefit from its large population, saying that domestic demand would drive growth and that the subcontinent would not be export dependant in the way a number of developed economies currently are. He said this positioning would be especially beneficial during times of a financial downturn in a very coupled global economy.

East vs West

Shri Ratan Tata had much to say on how Indian companies have had to adapt to different cultures whilst expanding globally. Addressing a question on doing business in India as compared to Europe and rest of the Western world, Shri Ratan Tata said, having had to deal with the intricacies and complexities of the Indian bureaucracy, Indian businessmen were extremely flexible and innovative when placed in unusual circumstances. And in fact this made them more malleable than their Western counterparts who were often used to working only in an overstructured environment.



Talking about the cultural differences about working in the West, Shri Tata cited an example post the acquisition of Jaguar. Just as the Tatas had completed the acquisition of Jaguar, the global financial meltdown occurred and the company, like others, began to feel the pain. He said if it was in India there would have been extraordinary moves made to boost sales. But the Jaguar sales plan was forecasting a downward swing and there was little effort to launch initiatives to turn that around locally. He said that was the big difference between India and the West, where they often accepted the way things panned out without taking action or initiating change.

Dave too shared his take on doing business in developing countries. The context for Nielsen is, of course, that we operate in over 100 countries. He said western companies sometimes saw opportunities before their eyes but became bound up in the frustrations of beauracracy. Generally, he felt a little less government involvement in infrastructure might help. FMCG companies he felt were more accepting of the Indian culture.

The Tata Way

When asked if in hindsight the Tatas would have done anything differently on their global acquisitions, Shri Tata responded saying that they had in fact done things differently. He elaborated, saying whenever they acquired a company and took over, they had left the management alone. They examined the company's existing strategies and point of action and provided support. But that had not always boded well with the local management took who looked upon the non-interference as a sign of disinterest. But he said he would not have done it any other way, saying that several companies they had acquired had benefited, giving the examples of Daewoo in Korea, Jaguar, LandRover and Corus.

Talking about the strength of the Tata brand, Shri Tata said the Nano (Tata's famed small car) had done more for the brand than crores of rupees spent on advertising.



Community Building

As we took questions from the audience, one aspect Shri Tata was asked about and he responded to was the well known community building initiatives of the Tatas. He said it had always been a focus of all Tata companies to provide living infrastructure to their employees and hence there was always a big push by the group to build schools, hospitals and other facilities for their employees. He also said that in Africa the group had started a scholarship for matriculate level students.

Innovation and Indovation:

On innovation, Shri Tata said he felt India was going through a period of transition but he believed that innovation was closely tied to the youth and new ideas they brought. But he said nurturing innovation was largely in the hands of senior management who would have to encourage new ideas and try to bring about change.

While speaking on innovation, he also said it was tied to his dreams for the nation. Of creating products and services for people moving up in living standards. Providing them with drinking water, low cost housing, etc. He also felt that products that were specifically created for the Indian markets could be taken to other markets and that India could be a forerunner in innovation in this regard.

Calhoun added that innovation should get support from policy makers as well as business leaders. He said nurturing innovation was also empowering and never more so than in the recovery period after the global economic slowdown where consumers in developed countries also expected better value for money and that countries like India and China could create products for both domestic and international markets.

It was an amazing evening with smart conversations, smart questions and a view to the future from the very best.

About Nielsen

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