



Guest

Suresh Narayanan is the Chairman and MD of Nestle India Limited (which recently crossed INR 10,000 Crores for the first time after about a century of operating in India). Suresh is often dubbed as a turnaround leader given what he has accomplished in various markets - Handling the operations in Singapore during the 2008 financial crisis, Leadership in Egypt, Libya and Sudan during the Arab Spring around 2011, turning around Maggi in 2015 when the company had taken a significant hit on the P&L and the Balance Sheet.

In our conversation, Suresh spoke about how his childhood years, especially the years at Rishi Valley School have given him the foundation and the attitudes that have helped him through the journey. He spoke about how he made some of his early career choices including the decision to join Hindustan Unilever Limited, while he was actually preparing himself for the IAS. He also discussed how he has transitioned effectively from one context to another and his perspectives on what it takes to settle in well in a new environment. He spent time discussing how he specifically turned around the fortunes at Nestle when he took charge in 2015 and breaks down the notion of building resilience as an individual and in the team. Finally, he also talks about how Marketing as a function is evolving with the emergence of Digital.

Context to the conversation

Welcome to the 3rd conversation in 2018 and the 24th conversation at the Play to Potential Podcast. A series of reflective conversations with accomplished individuals across various fields on three broad themes – Leadership, Transitions and Careers. I am your host Deepak Jayaraman. I am an Executive Coach and I work with leaders and organizations play to their potential by engaging with them during periods of high stakes transition, personal and organizational. You could visit transitioninsight.com for more details.

If you are new to the podcast and want to get a sense of the nature of content that is covered, you might want to go to YouTube and type “PlaytoPotential Highlights from 2017”. I have tried to capture the key takeaways from my various conversations last year with leaders across disciplines. From people such as Zia Mody, Nandan Nilekani, Viswanathan Anand, Vijay Amritraj, Avnish Bajaj, Vinita Bali and the like.

My guest this time is Suresh Narayanan, Chairman and MD of Nestle India Limited. In our conversation, we spoke about his perspectives around transitioning across cultures (he has had stints in Philippines, Egypt, and Singapore and in India just to name a few of his last stints). We spoke at length about how he took charge when the Maggi crisis hit the company and managed to turn around the fortunes. He also decodes the notion of resilience and business judgment and discusses his perspectives around Marketing 2.0 given the changes that are happening in the digital world. We

also spoke about how his formative years laid the foundation for his attitudes and approach to life, something that has held him in good stead through his journey.

Just a quick note on how you could access the content at playtopotential.com. You could listen to the full conversation or a particular nugget. If you are more interested in multiple perspectives that are curated by key themes, you could visit the Curated Playlists in the website.

Without further ado, over to the conversation with Suresh.

Transcription

Deepak Jayaraman (DJ): What got hardwired into you if you reflect on first 15, 18 years?

Suresh Narayanan (SN): First let me rest the comment that, the term turn around MD is something that I feel very uncomfortable about. turnaround is almost sounds as if it is a singular act that is done by a person in order to retrieve a situation in my case it is more than 7000 employees who have been together and they have been partners and associates of the company, who have played a very critical role so I would be going against my conscience if I were to not acknowledge the role that they have played but in so far as my own journey is concerned, I come from a very, a humble modest family, so my background is, my father was a Technocrat in the government, he was a civil engineer with the Border roads organization so he built roads all over the borders on the country, my mother was a housewife but with the for book, so she used to read a lot so therefore I think my childhood was spent in a lot of storytelling so my mother has given me many stories, my mother my grandmother these have been the people who have formed my life. Because of the transferable nature of my father's job which ranged from Andaman Nicobar islands to Nagaland to Bhutan he obviously felt and my parents felt the first five years of my schooling that I would have almost the kind of schooling tracked record that you talked about as your father having worked in a Bank so they decided to send me to a school which was more out of a recommendation by a colleague which was called Rishi Valley which is a Krishnamurthy foundation school, so I spent about five years of my schooling there in boarding I must say that, that was probably the most exciting and most rewarding part of my journey so far, it built a couple of things one, it built a very strong belief in values, I think I was there when Jidu Krishnamurthy was alive, so I had the benefit to not only listening to him not comprehending to him but listening to him and also the benefit of number of internationally renowned people, who used to come and talk to us, *a students plus it's a very strong education system which is more based on enquiry and more based on moulding and tempering you own conscience and personality rather than just pandering to the requirements of being a commercially or cosmetically successful human being* and way ahead of its times, so I think in that sense it built certain strong values, for my background and for my parents I got the value of education and one of the things that I have always joke about culturally amongst Tamilians is I am sure your father would have been more proud to introduce you as an IIT, IIM graduate rather than whether you have three cars and four Houses so for us it is always the education, goddess Sarasvati counts much more than goddess Laxmi, so the value of education, the value of hard work the value of integrity the value of trust, the value of diligence and I think what was instilled me relatively young is that is that famous line from Bhagwat Geetha, *"karmanye vadhika-raste maa phalesu kadachana"* so it is never been a journey for me, where it has been I have to do well in whatever I do but it will be on my terms and it will be to my conscience and it will be to the best of my abilities if I succeed well and good if I don't succeed its fine, there must be something else that must be there for me, so I think there has been a

kind of equanimity in my personality make up and since background wise we have always been more modest about our achievements I have tried to keep myself always on the ground even when I was rivetingly successful, I was in few of my assignments, I never allowed, I try and see that doesn't become the centre of my personality that it is part of the journey, it is something that I have achieved together with a lot of people and I always say that look this success will be long lasting only when the seeds of a continuity are sown by me otherwise it is just an event that you mark in your calendar and I think that has kept me in good state .

DJ: The other transition I am curious about is Education to Career and I remember reading about you wanting to join the IAS initially but joining HUL when they came to campus to hire, so talk to us a little bit about that but actually now with the wisdom of hindsight, what sort of advice do you give to somebody who is at cross road of direction of career?

SN: It was an interesting journey for me, because actually having belong to a family where my father was a techno crat my grandfather was a bureau crat, my great grandfather was a bureau crat so their family's belief was always that the government job and something that gave pension and stability was the job to be so in fact after doing my honours in economics I was one of the few people in my batch not to give the CAT exam, I didn't give it at that stage because I was very clear that I wanted to go and do masters and then apply for the IAS so I went on to the Delhi school of economics and did my masters in economics, specialized in monetary policy and in agricultural economics and I had either of two paths, I said either I will go for the IAS or I will apply for a PhD and go overseas. Being the only child of my parents I think my parents kind of dissuaded me from applying overseas because I think heart of hearts I think my mother had the horrification that I might produce a American daughter in law and that was something that was not palatable at all in the context of Tairsadam that would have been on the dining table so I instead chose that I will go for the IAS. At about that time someone mentioned one of my uncles in fact mention that and it so happened, Hindustan Lever, I always believe in a hand of fate, sometime it happens, Hindustan Lever never came to Delhi school of economics before this, in 1981 they chose to come to Delhi school of economics, why they came I have no idea, this is for management trainee position. My placement secretary at that time in Delhi school of economics takes full credit for it saying that it was because of his charm that it worked, whatever be the case they came the same uncle told me that look it is a good practice for the IAS exam because Hindustan Levers have good interviews and it will help you in the IAS interview so I said fine this is a good idea and I will apply for it and HUL at that time in the early 80s was still the organization that would insist on you being in the top 10 even to apply so I was happen to be in the top 10 of my class to apply to HUL and I went through the first round of interviews in Delhi I had a formidable bunch from FMS and from St. Stephen and from other places, and I just went I said for a luck let me just go and give this interview, I gave this interview and no one behold the feedback came saying that you have been selected for the final interview in Mumbai those days you have to go Mumbai, unlike your time interviewers would come in and pick up from IIMA, so I was told and then I thought I will through a curved ball my exams were around the corner so I said and they were offering first class rail fare, so I said look I would not be able to come because it was very close to my exam unless you give you me an Air fare, it so happened again faith intervened and they said OK we will give you air fare, and which in those days pretty expensive, so Lever actually gave me an Air fare, I borrowed some money from my cousin in order to by the ticket because I didn't have that kinds of funds and my father was in Dhanbad so I went to the actual interview and I was surrounded by candidates from IIM Ahmedabad IIM Calcutta I think about the least there was faculty of Administrative and somebody then asked me said where are you from? I said Delhi School of Economics they said what? I said Delhi School of Economics and then they had a case study and you won't believe it Deepak, I didn't know what the case study was, I never done a case study, I have done perspective theorems and those kind of things, never a case study, so I went

through that case study and I don't know how I managed it, the bottom line for me is that I believe that whenever you are, you really don't care about the consequences of what you do, you do a fantastic job, I wasn't dying for the HUL job, honestly I was there for the interview that was my objective, no one behold I finally got this job and two fabulous men were part of my or three actually were part of the panel who finally selected me, one was R. Gopalakrishnan one was the gentlemen called Shunu Sen who was Marketing wizard at HUL and third was a gentlemen called Tarun Sheth, who later on set up a search firm called Shilputsi. So they finally called me in and said look we have selected you as a, and I was the only one on that day out of 14 candidates, who have been called, so I don't think people expected me to get the job, I never expected it, so I got the offer letter and I came out.

DJ: If I may double click on that, just may be being immodest about yourself, what would you say they saw in you that lead to them picking you?

SN: I think what they saw in me was, I was really most un-management like, my thinking was not the usual, predictable stuff that they were getting out of IIM graduates, I think that was part of it, I was analytic but analytic in a very economic social science way, I was not analytic in a management way, I didn't know any jargon the word margin to me was more to do with marginal utilities and stuff like that it was not marginal cost and those kind of others or margin itself so I think probably they have found that and at that stage Levers was also trying to look and see whether they were able to get in candidates other than just B-school grads to join their management ranks because some of them people like Gopalakrishnan and Shulu Sen did not have the benefit of going to B-school but were successful people in the organization, so I finished that, came out and came back home that I was staying with my aunt and uncle in Wadala in Mumbai and I called up my father trunk call in those days no mobile phones and he told me this is, I said Dad I have got the job, he said oh, he said how much salary are they paying you? The first question, so I gave him my number, he said good Suresh it's a very good salary its only about 30% lower than what I am getting but I am getting this after 30 years so I think it must be a good salary, any case he said talk to your uncle who was in the IAS and ask him whether you should take this offer so I met my uncle I asked him I said uncle I am still interested in the IAS but I have got this, and uncle said, oh yes my friend Shulu Sen is there who was classmate at Stephens, he said he is doing very well, he has got an air conditioned ambassador car so I said ok that is so good, and secondly he said Suresh what gives you the confidence? That you will get the IAS you might get a service that you don't want, so then are you going to regret it? So I said yes I might regret, he said then Suresh go for it. So I took the offer and now I must say now 36 years beyond I have not regretted it for the single day because I can say hand on heart in these 36 years I have worked in organizations where competence where culture, where contribution, where credibility, where trust, where hard work and where strong ethics are valued and are cherished in their employees and I can say hand on heart there has never been a situation where I have had to compromise on my values and I think that is something that keeps me happy and that keeps me going because I have always believed in and this is my only advice to youngsters is choose a profession where you live and work on your terms, if you are doing something which in my case management happened by accident, it was not something that I was looking forward to but when I got into it I said how can I live this life on my terms? And live this life with the purpose and values that I have been imbued with and it gave me that opportunity and I was lucky that I worked at Levers at Colgate at Nestle three of the finest consumer good companies, and I have enjoyed this journey.

DJ: And you spoke about 36 years across these companies and again these are all large multiple geographies, multiple functions, multiple business units kind of companies what would you say to people starting out in terms of just given your journey, wisdom in terms of navigating a large corporation, sometimes people there is a fear of will I get lost somewhere, so having spent this time

if you had to decode your lessons would you break it down to three or four things in the context of managing your career in a large organization?

SN: First thing I would really say is work to your strengths, know what your strengths are, and work on aspects that will only enhance and will show these strengths in good light that's number one. Number two is work with commitment and work with passion, these are if you are passionate about something and you are committed to it, you will do a fantastic job there is no two ways about it, I mean it will come out it will show, whatever is your potential huge for that. Number three don't keep brooding across your shoulders which unfortunately, I must confess that it was part of my career, I was doing that in the HLL system which was a pristine meritocracy in every sense you had to make it to certain level within certain years especially if you are a management trainee, if you didn't make it, it would be seen that this guy is not good enough to take on the top mental or sit on the chair in the executive board room one day, so but when you take away that fear of trying to be as successful as somebody else I think you do a fantastic job. And the fourth one is have the courage to speak up and to speak out when you think that things are going wrong, you don't have to be abusive, you don't have to be to make career limiting moves but I think organizations appreciate that and number five I believe is work for your people ultimately we are successful as professionals even if I have head a 10 billion dollar enterprises or I head a lakh of rupees enterprise I succeed because of the strength and because of the competence of people around me, if you take care of your people they take care of you and I think this is the philosophy that I have applied in my career and I have never failed to be rewarded for it.

DJ: You have worked across these three companies and even in Nestle in the last decade you have worked across Singapore, Egypt, Philippines and India I am curious about how leaders should think about, the first three to six months in a new culture whether it's a new geography in the same company or a new company, having done multiple transitions, what are the three or four things which often get missed out, what are the things that people don't do enough that they should.

SN: Number one is I would really suggest, Prepare yourself. I think a lot of cross cultural, cross wires happen when you are not well prepared. By preparation I mean not only in terms of trying to read up a bit about where you are going to, what are the kinds of issues and challenges that those people face but also develop the attitude of receptiveness, that I will not super impose my cultural value sets on a group of people to whom that may be alien. So the preparation is in terms of understanding and the preparation in terms of having an open attitude that I will look at the positives of what that culture offers, rather than making comparisons between this culture and my own culture that's number one. Number two is before you act understood and assimilate. What happens to us that being operating managers for better part of our lives, our immediate worry is how do I get my next week sales or my next quarter profits or whatever. Especially at senior management levels it is important to step back and observe, so what I used to do in all the new situations is, I always walk around. I don't sit in my chair, I will walk around the office, I walk around to the sites, I walk around where talk to the common people, what are the kinds of things that interest you, what are the kinds of things that bothers you, what suggestion would you give to build this company better, I think there are ways in which you touch the lives of people, the minute you touched the lives of people you as a leader do not become unreachable anymore and in cultures which are fairly hierarchical, I mean Egypt is pharaonic, very hierarchical culture, Singapore meritocratic but still very authority driven, Philippines again is very rigid in terms of the structural tenets of who's the boss and who's the subordinate? Thailand similar, they have a strong sense of position rank and society, so if you are able to break that then you get a very clear path and in that first three six months if you are able to assimilate, understand and then draw up the four or five big issues that you will address, you will be more successful in the balance part of your stint, than if you

were to go there with a preconceived notion that these are the four things that I will do and launch into it. I think the preparation is where the issue is.

DJ: And how do you think about, there is a point of view which says that, there is sometimes merit in making one or two key visible decisions that signals that there is a new sheriff in town, how do you think about that, which sort of goes against the grain of assimilate, don't do anything and before you make up your mind how have you thought about that?

SN: I would say for me that is contextual it is not a recipe, let's say when I went to Singapore, I did not have to make any significant changes in the way in which the organization was working for the first couple of months and then of course we had the 2008 economic down turn, at which time I had to make certain dramatic changes to the way in which the business was being conducted but it gave me sometime in Egypt on the other hand the cultural nuance always has been that whenever there is a new leader, there will be one or two things that will change and in that organization I found that for example empowerment and speed were clearly issues, people were waiting to be told to do something because they didn't feel a sense of empowerment and they always felt that just like the Nile flowed perennially that there is enough time to take enough decisions and there is no need for any speed and urgency, so I took one or two decisions that signalled that the new sheriff in town is interested in empowering you as leaders, he wants to things to be done from a signalling perspective. So for me it is entirely contextual, when I came back to India obviously I was in the thick of the crises there a lot of signals had to be sent out in order to insure that the ship started to settle down a bit.

DJ: Specifically, in a consumer goods context I guess you need to understand it not just about settling in to the company it's about, understanding the nuances of consumer behaviour, so how do you do that, when you transitioned from one culture to another how do you pick up that, I mean you grew up in India so I think some of the Indian consumer behaviour comes naturally but when you are moving to a new geography is there a...

SN: One of the things that I get from probably functional exposure and confidence that I have built up I spent of fair many years of my career in sales so I was used to and I love to walk the markets and I still believe and I still do that every month I am out for almost 10 15 days I travel and when I travel I travel to either our factories or I travel to our markets and I walk, I was last week in Port Blair I was there in one of their islands to look at how we were distributing and what we were doing their? The best way of assimilating is by seeing, all the reports are there, the presentations are there, Nestle is full of it and I will get it, I know it I don't have to ask for it but for me walking the markets automatically gives you the window to the consumer, what is it that the shoppers looking for. So when I walked the streets of Cairo or Luxor or any of these places or I walked in Singapore I could pick up the kind of products the kind of shelves the kind of retailer reactions, the kind of position that they kept Nestle in as far as the shoppers concerned, all these with experience you are able to pick up the signals very quickly and then you come and for me the presentations that I got for more confirmatory in some cases not the main source of data, so for me it's always been that if you are really with your feet on the ground and you walk the market, talk to your salesman, some of the greatest lessons I have picked up in management have been from my salesman, they have taught me, pricing, trade promotions, activations, new brand launches, support, leadership, managing distributors in crises, these are the guys, we have to be humble to be fact that these guys may have much less education than you but that's unfortunately the accident of birth and opportunity but they have a lot of wisdom and for me I always respect them because they are the ones who run this company.

Reflections from Deepak Jayaraman

DJ: Just a quick pause here. This piece of my conversation reminds me of my chat with Vinita Bali (VB) a few months back. Vinita has had the distinction of working in 6 countries across 5 continents. Among other things, she spoke about how she settles into a new geography –

VB: "I think if you spend the first few days curious, listening, not jumping to conclusions we tend to get very judgmental very quickly I think if you spent the first few days as tourist in a place which is really about as a tourist you are exploring, you are curious, you want to read about this that and the other so if you spent those few days more like a tourist more from the point of view of understanding and not judging more from a curiosity orientation rather than I have the answers and more from the point of you of really knowing that you are the new kid on the block your hiring manager may have hired you but none of the others owe you anything I think if you find that level of acceptance and I learnt it when I went to new countries, what did I know about consumers in Nigeria? What did I know about consumers in South Africa? And you have to very quickly go and figure out what that module of collaboration or cooperation is going to be and I think if there is that attention paid including to some of the softer things this is not a task oriented framework"

DJ: If this is of interest, please go to Nugget 16.06 at playtopotential.com. You might also find my conversation with Nandan Nilekani relevant as he spoke about multiple transitions – Infosys to UID, UID to fighting elections in Bangalore and then to being an enabler in the Fin Tech ecosystem.

I hope you are finding this conversation purposeful. I would really appreciate if you could take a moment and rate the show and write a review on iTunes. Now back to my conversation with Suresh.

DJ: The other aspect of transition I wanted to talk about was, what a predecessor can do in setting a successor up, for example if let's say you are moving from Philippines, let's say as you were leaving Philippines, how should leaders think about setting the next in comment for success?

SN: Unfortunately, I must say that Philippines for me is not a good example because I was there for barely four months, but if I would look at it let's say my experience in Egypt and Singapore before that, what always concerns me is not the nuance of leadership but the capability of imbedding and internalizing the practices into continuity. So internalizing best practices, internalizing the good processes for the future is what I would always try and focus on so let's say even in Nestle India what I have been trying to know was through with my team, is through a program, where basically what we do, we call it 'Rise together'. So 'Rise together' initiative really focuses on four big themes on the purpose of the organization on the caring part of the organization on the learning part of the organization and on the order and process part of the organization so we have different teams now as a result of what happened to us in the crises and as a result of our rising like a Phoenix, what are the practices what are the disciplines what are the good things that we can disseminate within the organization, so that long after I cease to be leader of this company that some of it at least continues. For me the agene of leadership and that's the agene of many shareholders is that suddenly you have got a good leader, things start moving it's a person specific thing, and that is the tragedy, if you look at organizations that is where things go wrong. I have not come across and you are better read than me Deepak so you will know it better seldom have companies failed because of absolutely stupid strategies they are failed because of two things leadership translation to execution and I have always believed that strategy is execution, for me the strategy part is the simple part the execution is the bigger piece.

DJ: May be taking the Maggi example, you transitioning to India, it was sort of landing into a fire, I have heard you talk about Neruppu Da (Fire) in some context in one of your speeches, but let's say the first 6 to 12 months in terms of what the pie chart of time look like, is that any different fundamentally different in that context versus let's say may be moving to a different market, I am sure its but in what ways?

SN: Very very different, let me just highlight two or three things that became imperatives in my involvement with the crises situation, Number 1 was an organization that had imploded, people were completely and totally shattered, we are a proud company, we are known for our ethics, we are known for our probity, we are known for our quality and safety and this is something that hits at our gut. People became my number one priority, usually when you get into a market, different market situation is the business that becomes their priority but for me it was the people that became the priority. Number two, I had a huge issue with the regulator, so the environment became my priority, I was spending a lot of my time in engaging with the authorities, engaging with the people, trying to get the blood pressure down, India as an excitable place. The third one is reaching out back to the consumers and that is managing the whole media and the media has got into a big frenzy on the whole Maggi issue because unfortunately it was a perfect storm, no other news was making the headlines except Maggi. So these were the three things, I would say that being with my people managing the environment and managing the external stake holders in the media probably took 60 to 70% of my time, and only 30% of my time was really spent on, navigating the business, I mean I had my team to take care of it, they were feeding me in but the key decisions I said you guys take to just ensure that the engine room doesn't get flooded that's all, just ensure that, rest of it managing the sale and ensuring the we steer the ship leave that part to me so that let me along with my compatriots there try and manage that.

DJ: Given your several stints, Maggi was a case in point but I think you were in Singapore when the 2008 crisis was going on, you were in Egypt around the Arab Spring, what have you learnt about ingredients of resilience if you will and I am curious about there's two levels, one is personally what does it means to you, if you had to break it down what would you break it down to and secondly how do you build resilience in an organization, how do you think about that?

SN: It is surprising Deepak how sometimes we pay very little heat to the six inches between our years to me resilience begins with a capital A "Attitude", it has got nothing to do with how well qualified you are, how intelligent you are, how strategic you are, it is you have a problem in front of you, what is your attitude prima facie, what does your gut tell you that I should do? For me a problem is always an opportunity, I see it as an opportunity, I say wow this is happened. Let's go and try and do the best we can to number one come out of it and come out of it strongly so resilience is built from a deep sense of commitment and attitude that I will overcome, number two is discipline, resilience demands discipline, it demands the capability to say I will repeat this action again and again and again and not give up because I believe that these sets of actions are what is going to get us out of this hole and I am not going to be giving up and saying ok fine, let me try something else, because in a crises situation you will have 25 different advices coming to you but you need to as a leader take the call and say this is what I will do. So second spirit is discipline. Third, Team work, resilience is not just your personal resilience but it is the capability you have to transmit it in your team and that's when I point out to the fact that in leadership, it is not important, sometimes what you say, but how you say it, you can get the most bitter news across people and they will smile and you can get a sweetest news across and they will frown, and I think that the leader has to understand that in a situation that demands resilience, how we says things is as important as what he says.

DJ: Give us an example or a little bit of colour around this theme how?

SN: I will say like, when I came on the first Maggi crises, I think the first meeting I had within 24 hours I had a meeting with my team, we had a town hall here. The first thing I told them was I said look and I genuinely meant it because I love this team and that why one of the reasons why I came back was because I genuinely love the Nestle India organization for giving me so much. I said look I am delighted to be back in this team I know you give me a lot of trust and you give me a lot of respect but let me start by saying that we will come out of whatever situation we find ourselves in even though I don't have the answers. A leader when he transmits sincerity and trust but he also transmits vulnerability becomes a more lasting leader than a super hero who walks in saying I know all the answers, come on guys let's go and do it. When there is a fire around and you don't know where the fire has started, if the guy comes and says chill, I know exactly what is to be done, you cannot get a bit very, this is humanness this is vulnerability because what happens is the minute I open that window of vulnerability, that I don't know all the answers, I had twenty people come up to me saying sir I think we could do this, the minute I say I know all the answers people will say ok fine he knows all the answers and why should I tell him something he may take it badly. The other thing is in trying to get and dissect the root cause of the problem, if you take the approach of doing a clinical inquisition that who is to blame? The outcomes are very different from you were to do actually a decision tree to say what are the different things that we could do or that we could have done then people move away from being threatened to a sense of involvement in what you are doing, how we frame the inquiry so these are things that you have to understand the cultures well sometimes in some cultures let's say in Europe this might have been seen a very roundabout way of getting to the problem, I mean the question would have been, what's a bloody problem? Who was the guy who's behind it? Let's clean it up and move on. Whereas in India if the minute I started saying you are the guy ok fine, let's have the conversation. How I treat Deepak will immediately transmit itself in 200 people and they would say Suresh is a nasty guy don't go to him, don't suggest because it will bite you.

DJ: And the other thing in these situations I am curious about is the notion of judgement and doing the right thing I am a big fan of this professor into Harvard called Joseph Badaracco and he talks about this point that early on in career people have to choose between right and wrong but leadership is often about choosing right versus right, so for example 35000 tons of perfectly edible food and possibly arguably good quality food to burn it, it's a tough business decision so talk to us about how you think about doing the right thing, where do you get your sense of judgement in these situations?

SN: I must say that the decision to take back and pull the stocks back from the market was taken by our global CEO, he was the one who was here and I think he took absolutely the right decision and he took it from a very simple perspective, he said consumer trust has been dented, when a consumer trust is dented there is no point in me going and saying that look I am perfect, I would rather retreat and say take the thing back, vindicate myself and then come back, rather than trying to go around and saying no this is actually fine, this is actually perfect please eat it. The fact of the matter is that more than 90% of the consumers knew then as they know now that there was nothing wrong with the product, they were consuming it for 25, 30 years and generations have been brought up on Maggi so nothing has happened to anybody but any way that was the call that taken I think in such situations Deepak what is really important and that's a call of leadership, you could get different ideas from people, my belief is has always been listen to it very carefully, the key task of leadership in a difficult situation is listening, not talking. The problem is we tend to talk more than we listen, sometimes I reflect on it and I realize that I am doing more talking than listening but in a crisis situation listen, you will get different ideas flowing in, some of it will make sense, some of it may not make sense, ultimately it is for the leader to distil it and ensure that the bugs stops at his door, so I have always told my team, look I welcome the suggestions, we will craft the plan together,

we will decide on who's accountable for what? If it does not work, it is me and I will take the rap for it two things happened, one you get the best ideas on the table and two your people will die for you because they know that if the rap happens, you are going to be the guy who is going to take the rap and not them. So there is also a certain moral obligation, if you told me Deepak that look Suresh even if you give a third rate interview it is me who is responsible for third rate interview and not you I will have a certain moral obligations to say I will not allow Deepak to do that why should this poor fellow get rammed because of my stupidity so I will try and do the best that I can, so I think some of these very simple kind of way in which we treat, I always call it the Nestle Family and the reason why call it the Nestle Family is because our relationships are like family, we spent 12 to 16 hours in this office, I spend less time with my wife than I spend in this office. So for me, people around me here are like members of my family and since the culture of Nestle is very particular on dignity and respect for people it works well.

DJ: And the related point Suresh in a lot of ways the journey of Maggi also has been a story of rebuilding trust with the consumers, so what have you learnt about building trust in the context of your journey over all but more in the context of Maggi in a more pronounced way, how do you sort of break it down? Building trust which is probably the case in this.

SN: Look I think firstly trust is all about ensuring that whatever you are building the trust on is rock solid at all points in time the reason why Maggi was able to come back to its primacy and come back strongly on trust was because at no stage was food quality and safety ever compromised in this company the strength of my backbone Deepak depended on the ethic of this company if that was not the case if I had actually been part of an organization where these things were kind of OK a few batches here and there its fine the reaction on trust would have been very different. So walking the talk and talking the walk as far as the core trust aspect is concerned is inviolable for the company so that was number one. Number two is navigating the path, with dignity, respect and transparency and not trying to show that the other guy is wrong. In my case if the regulator felt that I had erred, it would have been absolutely foolish of me to go and try and poke the government of India in I, who am I? I am one corporate player amongst thousands of corporate players in this country. The government of India and the bureaucracy is really in times because of me, so that foolishness and that arrogance sometimes because of ego can also lead to a down fall but if you do it with dignity and the respect and you repeat the same message again and again.

Reflections from Deepak Jayaraman

DJ: I just want to pause here and relate to a recent development in a totally different domain. Dara Khosrowshahi's CEO at Uber at some levels is very similar to Suresh's mandate when he came into Head Nestle in India. He recently settled a lawsuit with Waymo (the self-driving business spun out of Google) where Uber was accused of stealing trade-secrets. Without getting into too much detail, the crux of the insight for me when one sees the tone adopted by Dara is that it is along the lines of what Suresh talks about navigating the path with dignity, respect and transparency. Putting your past behind you and making the space for the future. If this is a topic of interest, you should (no pun intended) Google it and you will you get an insight into the nuance with which Dara has handled this crisis.

I hope you are finding the conversation purposeful. I would really appreciate if you could go to iTunes and rate and review the show. Now back to the conversation with Suresh where he continues to talk about what it takes to rebuild trust.

SN: And number three is if you keep your doors open in terms of people that you need to talk to over a period of time, trust gets built back, but it all starts with the inviolability of whatever is predicated the trust if that is fine I think you can come back, if that is verbally Deepak, there would have been no chance because I would have to at some stage hum and haw, I know Deepak but kind of it could have happened. I had so many samples of mine analysed, not a single sample failed, if one sample had failed Deepak, we would not have given your child Maggi, you would have said why should I give, why one has failed? May be that happens to be the one next time, that my son or daughter eats. So I think that is the whole principle, and you have to ensure, I think in building the trust that these principles are disseminated to the lowest level in the organization and that is the beauty of the Nestle culture that's going to nothing do with me. The beauty of the Nestle culture is that the guy in the factory will be as conscious of this if not more than what I am? And they will not do anything that is going to play with this. We have had I remember when the whole Maggi saga was kind of going on, there was a former sales officer of the company who met me and he said sir during the Tsunami we were to supply every day dairy whitener to the government of Andaman's for the Tsunami relief and they had ordered for some lot and it was lying in the Chennai distribution centre and some last minute test done on that before dispatching it and one parameter in 30 parameters was off by very small degree, the company made a fresh lot and sent it to the Andaman's and destroyed what was in the warehouse, sir that is out Nestle and he had left Nestle by then and he said sir that is our Nestle, so that gives me that confidence and you might say and somebody might say yaa but you know. Isn't that very foolish? Sorry the company's belief is every consumer irrespective of where he is in the world, deserves to get the safest product that I can give.

DJ: If you were to be critical with yourself Suresh, during all these challenging stints do you reflect on what you could have done differently or the missed opportunities, again if you went back, do you think about with the wisdom of hindsight, I wish if I went back again I would probably do these things differently?

SN: One of the things that I have by nature is that I am extremely, I am very action oriented. I like to get into a problem and I like to come with the solution quickly and ensure that it is done sometimes I believe that I therefore have a tendency to spend less time in looking at different options that is a weakness that I do admit too that, may be that was not the weakness in the context of these crises because here you needed somebody to move ahead but if I had a slightly more slow burning problem, I could have two three more options and sometimes my colleague do come and tell me sir but you had this also and you could have done this also and then I tell them, look you should have told me but they say sir but at that point in time you were so decisive that you would not have listened or you might have pushed it in a particular way in order to ensure that the problem goes out of the door, so that is. So I think the capability sometimes to listen bit more, I had to step back from the fire and look at the fire in entirety and say do I have two other options? That I could do? Probably things I can do better.

DJ: And the other theme you talk about Suresh, is the notion of decomplexification of structure and cutting down meetings and interventions by half talk to us more because that's a, I could identify with that theme being reasonably universal across companies, so talk to us what do you have in mind?

SN: I think it came out of my earlier experience and in fact actually doing some time and motions study on for example our sales people and it was a horror to me when a statistic was shown that only third of the time of the salesman was actually being devoted to the customer and two thirds was going in internal alignment meetings and reporting meetings. So I just thought to myself, in fact the sales manager himself told me, sir this is the waste of my time. You are telling me one third of my time with the customer who matters who generates revenue and two thirds is going to go in

aligning you aligning him aligning them, putting together formats, templates, reporting etc. so that set me off on a journey in all my subsequent stints. When I was here many years ago as a sales director, we used to generate number of reports each day. So I told my IT guy, I said from tomorrow stop sending 50% of the reports that you are sending, let's see if there is any reaction, Deepak nothing happened, nobody came back and then I said please track, what were done with the earlier messages. Deleted without being seen, now the man hours spent in generating this data for people who were not even interested in it. Isn't that a crime? So one of the things we said was and we said look that should be the outcome of this whole crises, we said the behaviours we need in this company is to *be fast focused and flexible* all of these need therefore the ability of the right allocation of time and meetings to the right purpose so we said let us go on across the board and I just set the company a target, cut meetings by 50%, the youngsters loved it, they said we had spent half of our time, and I found people, I used to find sometimes, I used to stay up late in the office because of this crises and walked on sometimes and see youngsters walking away at 7:30 and 8:00 in the night I said why you guys are walking so late? Sir we had a meeting and then I asked the HR guy, I said what's wrong with this company? Why people are are having meetings at 7 o'clock in the evening? He said sir because doing the first couple of hours all of them are having review meetings and then therefore the real meeting is taking place in the evening. I said if guys are going to go back at 8 o'clock in the night what are they going to eat? What are they going to sleep? What are they going to spend time with their families? Is this what we are? Zombies? At least me as a leader then should set the trend because this is the leadership we showed, I have worked in organizations and I have been the victim of bosses who loved 24 hours meetings I said at least when I am the boss I don't want that to happen and I think it is been salutary, there are still pockets where it hasn't happened but it's a journey.

DJ: And Marketing as a function in a lot of ways its undergoing disruption with digital, data and stuff. What's your take on let's say Marketing, I don't know it it's 2.0 or 3.0 but what's your insight on how the function is changing?

SN: Deepak, it has changed dramatically, I can tell you from the time when I was a brand manager to today the change is absolutely 180 degrees we were talking more about defined target groups, psycho graphics, brands with limited reach, media vectors that were relatively well defined and we were happy doing what we were doing, I think today the whole digital age, I don't believe in this term digital marketing, we are now marketing to the digitally enabled for everybody, my assistant brand manager to my sales officer to my marketing manager to my head of business has to be digitally wired, the reason why Maggi was able to comeback, was largely digital, I mean the digital interventions that we have done as a company what we didn't do on the brand for the previous 20 years, we did all that in the first 6 to 9 months of the reintroduction of the brand.

DJ: When you say Digital such as?

SN: Digital advertising, Digital engagements, e-commerce related engagements consumer engagement services, we have a 24x7 consumer engagement services as a company now, our response times are less than 30 minutes for a consumer query, now all this, we have got our own packaging design studio, in-house, we have got our own digital content studio. We make our own digital content, because we don't give it out to agencies to do it, because the time we believe is lost and also from a cost economics point of view, you have your own team, they know exactly what is to be done? So we are really very much on this journey of embracing digitally the consumer because our consumer is, very much the urban middle class, the millennials, their first jobbers was who were in our brands, these people are not interested in your buntings and posters and slightly more archaic modes of communication but more interested in having a conversation with you, on their terms and not on your terms so I think that whole change is propelling the change within the organization and

there I see my role as being more a facilitator, since I don't understand I must confess over the 90% of the technology that is being used, I say ok fine, I will give you the license to experiment, Snap deal was an experiment, it was given and suggested to me by a young brand manager, saying sir my generation doesn't go to shops, if you please. I said where do you guys go to? They said we buy online, so why don't we launch Maggi online? I said what is the risk of failure? He said sir if it fails, this is a few couple of hundred tons, I said fine doesn't matter, I will take that rap, let's do it, but the rest is history 60000 boxes got sold in less than five minutes the kind of media coverage and the kind of splash it made was worth six month of media.

DJ: This podcast is titled play to potential and in a lot of ways it's about leaders as they go through their journey, trying to capture glimpses into how they have thought about two questions, where to go and how to grow, so in summary for the listeners, what would you say? In terms of how they should think about A – Navigation, and B – Growth.

SN: Where to Go? I think my only piece of advice is three fold, number one is go where your heart and mind is and don't go there because your Dad have told you to do that, go because you really passionate about what you do. Number two is understand that the journey is as important as the destination and don't just focus on your journey and number three is built in attitude, resilience and build in the spirit to support your people in all that you do. As far as how to grow, play to your strengths, play to your values and also play with a single minded devotion to the people who make you successful.

Reflections from Deepak Jayaraman

DJ: Hope you found the conversation purposeful. I really learnt a lot in this chat. If there were 3 things that stood out for me, then it would be

a) The role of values and attitudes that are baked in our childhood but make such a profound difference as we go through our lives. Getting Suresh to talk about how some of his principles got baked as early as his days in Rishi Valley school was a great learning about how crucial the childhood years are in building that wiring in our children

b) The point he made about being vulnerable and thereby building trust and connect with the team. This is so relevant in the world we live in today where there is so much change happening across various functions in a company driven by technology, digital and data. Several leaders, who have grown up in a world where the premium is on knowing the answer, struggle to move to this new paradigm where you need to be vulnerable and say "lets figure it out". Given this is less about skill-set but more about mind-sets, it can be a hard shift for a lot of leaders who have grown up in the older paradigm.

c) When things go south, it is so crucial to navigate the path with dignity, respect and transparency. We often have a mental image of leaders who is like a commando who goes all guns blazing against the challenge that is ahead of us, the Type A kind of a leader who is often glorified in the world we live in. It's often a slightly different type of a leader who is required to steady the ship and claw your way out of a crisis like the Maggi crisis that Suresh inherited when he joined Nestle India

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playtopotential.com. You could access a full conversation, a nugget or a curated playlist by theme across speakers. I look forward to having you at one of the subsequent conversations of the playtopotential podcast. Bye now.

End of transcription

Nugget from Vinita Bali that is referenced: [Navigating the first 3-6 months](#).

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Managing time: Money is a renewable resource, time is not. Leaders share their wisdom around how they have thought about their time and gravitated towards initiatives that yield the maximum Return on Time Invested (ROTI). They also discuss how the pie chart of time has evolved with changes in context. You can access the playlist [here](#).

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Suresh Narayanan - Nuggets

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- 24.01 Suresh Narayanan - Early formative years
- 24.02 Suresh Narayanan - Career - getting off to a good start

- 24.03 Suresh Narayanan - Transitioning effectively to a new context
- 24.04 Suresh Narayanan - Maggi crisis and decoding resilience
- 24.05 Suresh Narayanan - Building good business judgment
- 24.06 Suresh Narayanan - Rebuilding trust
- 24.07 Suresh Narayanan - Increasing productivity
- 24.08 Suresh Narayanan - Marketing 2.0
- 24.09 Suresh Narayanan - In Summary - Playing to Potential

About Deepak Jayaraman

Deepak seeks to unlock human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

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