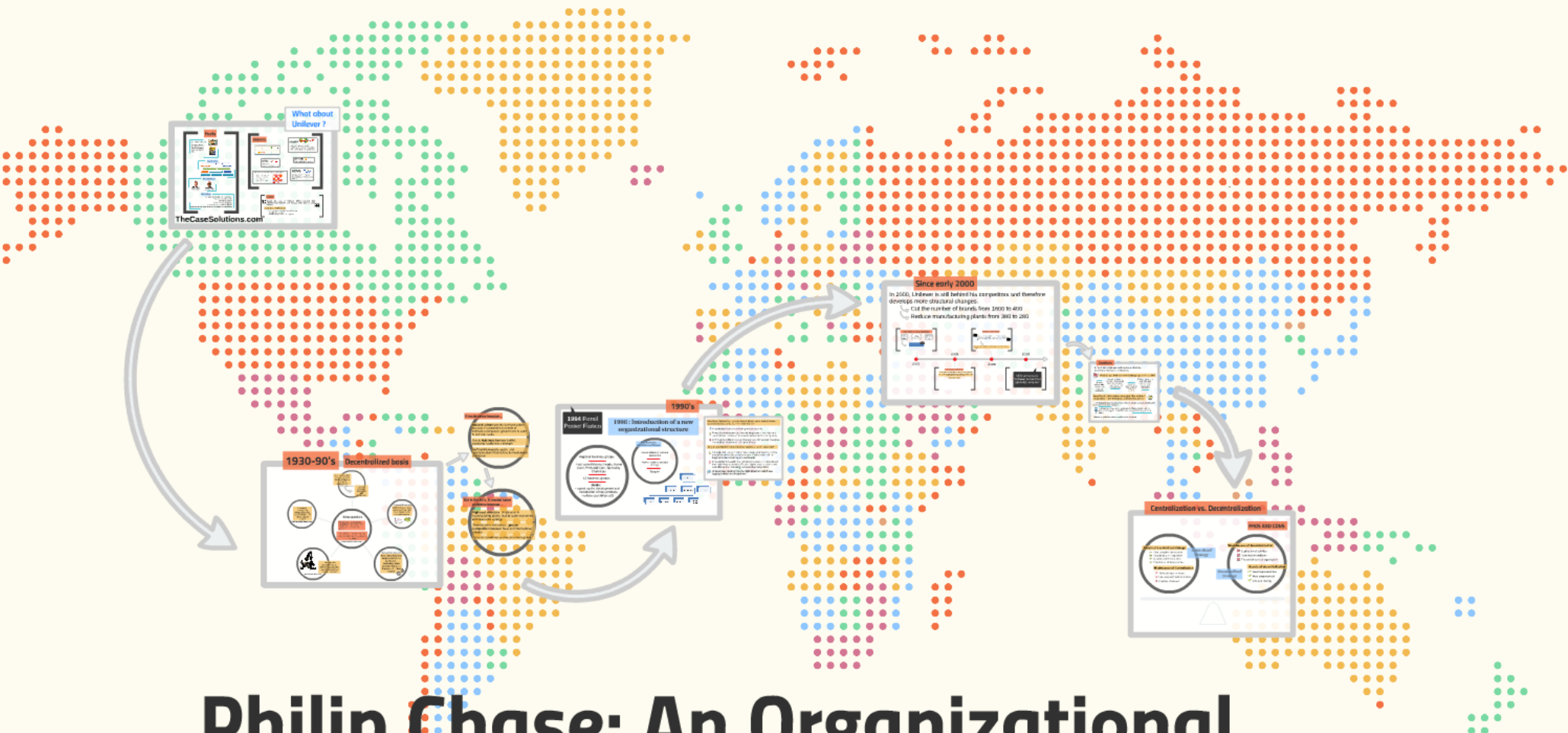




Philip Chase: An Organizational Power And Influence Case

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What about Unilever ?

Facts

Founded in 1929/1930
Business merger between Margarine Unie (Netherlands) and Lever Brothers (UK)



Legal Structure



Executive Officers



Paul Polman



Jean-Marc Huët

General Facts

Headquarters in London, England and in Rotterdam, the Netherlands

174,000 employees

Nestlé : 339,000 employees

Procter&Gamble : 118,000 employees

Unilever's annual turnover in 2013 amounted to €49.8 billion

BRANDS



OMO

Laundry Products
Also known as Persil, Ship, Breeze, Surf

Why different brand names for the same product ?

- Mergers & Acquisitions
- Consumer orientation
- Legal Structure
- Language and culture



KNORR



Unilever's biggest brand
Sold in more than 100 countries
Also called Royco or Continental

LIPTON



World's best selling tea brand

DOVE




Founded in 1957 in the US
Dermatologists' n°1 health care product

VISION

“Double the size of Unilever, whilst reducing their environmental footprint and increase their positive social impacts”

Sustainable Living Plan 2010

- Drive climate change into the right direction
- Establish food security
- Provide water, sanitation and hygiene



Concept of
strategically
independent units,
local initiative and
decentralized
control

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In Europe, the company had 15 different subsidiaries, each focusing on national markets.

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Each subsidiary was responsible for the production, marketing, sales and distribution of the product in that market



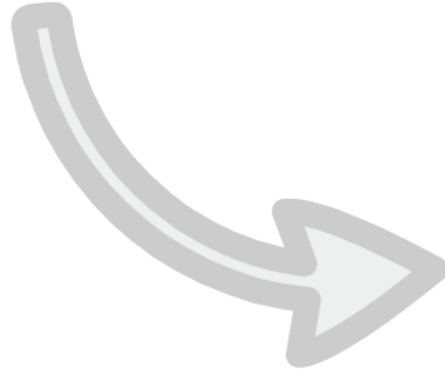
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Each one was a profit center and was held accountable for its own performance



To drive localization,
Unilever recruited
local managers to
run local
organizations

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Marketing
strategy to
local tastes
and
preferences

Group questions

Why did Unilever's decentralized organizational structure make sense from the 1950's through the 1970's ?

Why did this structure start to create problems for the company in the 1980's ?

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