

Innovative brands – successful in local markets

In highly competitive markets, new products only succeed when they combine innovation with a deep understanding of the regionally varied expectations and requirements of our customers and consumers. The example of Persil Black, successful in both the Arab region and in European markets, proves that Henkel knows how to get the combination right.



Ashraf El Afifi
Regional President and Corporate Senior Vice President for Laundry & Home Care in Africa/Middle East, in conversation with Dr. Dagmar Preis-Amberger, Head of Laundry Detergent Production in Düsseldorf. Left: Maria Lancellotti.

Formulated especially for black and dark apparel, we initially launched Persil in the Africa/Middle East region five years ago under the name Persil Abaya. The abaya is the predominantly black overgarment worn by most Arab women.

The liquid detergent combines true cleaning power with special color protection for black and dark garments – particularly important if these are washed frequently. Since June 2011, Persil Black has also been available in Germany, Austria and Switzerland – catching the crest of a fashion wave. While black is the traditional shade for women in the Africa/Middle East region, the popularity of black and dark clothing has also steadily risen in Western European markets over recent years.

“Persil Black or Persil Abaya is a perfect example of what our mix of global technology and local market expertise can achieve,” says Ashraf El Afifi, Regional President and Corporate Senior Vice President for Laundry & Home Care in the Africa/Middle East region.

Cultural and regional knowledge transfer

He and his team regularly meet with colleagues at headquarters in Düsseldorf to discuss cultural specifics and provide local expertise for the development of consumer-tailored products. With Dr. Dagmar Preis-Amberger, Head of Laundry Production in Düsseldorf, for example, El Afifi reviews both commonalities and differences impacting the production of Persil Black. “It’s great to know that, with Persil Black, we can build on the experience of our colleagues from the Gulf States – their insights are invaluable for the entire process, from production to marketing,” says Preis-Amberger.



In the Düsseldorf liquid detergent factory, Maria Lancellotti monitors the filling of Persil Black.

The formulations in Africa/Middle East and Europe have some common attributes, while the fragrances are tailored to cultural preferences. Package appearance and consumer communications are also regionally aligned. Persil Abaya was launched in the Gulf States through a mix of TV commercials and a very successful viral online marketing campaign. An interactive website was set up and there was also a designer competition, the abaya having transcended from traditional garment to individual fashion statement. In the Western European markets, the consumer campaign relied mainly on classic TV advertising, complemented by social media activities such as a game on Facebook.

“Thanks to our expertise in different regions, we are able to launch global innovations successfully in diverse local markets. This is a special strength of Henkel,” says El Afifi.



Similar formulations, regionally tailored product marketing, strong performance: Persil Black and Persil Abaya for black and dark apparel.

www.persilabayaworld.com
www.persil.de

“Persil Black is a perfect example of global technology combined with local market expertise.”

Ashraf El Afifi
 Regional President and Corporate Senior Vice President for Laundry & Home Care in Africa/Middle East.

Diversity – an asset for a global company

Mixed teams are simply more successful. One example is the cross-border cooperation put in place for the development and international marketing of Gliss Kur Ultimate Repair, a product range specifically created for damaged and dry hair, successfully launched around the world in 2011.



SHANGHAI
CHINA

Aida Rizvo
Head of Cosmetics/
Toiletries Marketing for
the Asia-Pacific region.

After just six months on the market, the Ultimate Repair line for damaged and dry hair had become the most successful launch in the brand history of Gliss Kur, leading to substantial market share gains worldwide. In order to be able to develop and market such globally successful innovations, the international marketing experts from the Cosmetics/Toiletries business sector regularly and extensively share knowledge with their counterparts in the different regions.

Internationality as an innovation driver

“The key to our success lies in the international mix of our teams,” says Aida Rizvo, Head of Cosmetics/Toiletries Marketing for the Asia-Pacific region, who is located in Shanghai. A Bosnian by birth, Rizvo has been in Shanghai since June 2011. She speaks five languages and now she is learning Mandarin. “For me, interacting with international colleagues in close-knit teams is an integral part of my work at Henkel,” she adds.

Gliss Kur Ultimate Repair, which is marketed under the name Extra Care Ultimate Repair in China, was developed in the strategic business unit in Düsseldorf – with the involvement of Jasmin Goller, Head of International Marketing for the Gliss Kur brand. She also kept in close contact with Rizvo and other regional marketing experts such as Enis Toksoez representing Africa/Middle East, and Juan Pablo Molina, responsible for Peru and Ecuador.

“Our colleagues in other countries know their local market, its consumers and their preferences, better than anyone,” explains Jasmin Goller. “Consequently, interaction with them is vital for the successful development and smooth international launch of any innovation.”



Pursuing the international exchange of ideas for the successful development of innovations (from the left): Enis Toksoez, Regional Marketing Manager for Africa/Middle East, Jasmin Goller, Head of International Marketing for the Gliss Kur brand, Aida Rizvo, Head of Cosmetics/Toiletries Marketing for the Asia-Pacific region, and Juan Pablo Molina, Country Manager for Peru and Ecuador.

They all agree that international cooperation in diverse teams is what makes the difference: the variety of knowledge of consumer needs and marketing concepts provides such teams with insights and perspectives which are critical for the successful launch of new and innovative products in competitive markets. Not just contact with international colleagues but also working in other countries provides invaluable experience. For instance, Jasmin Goller, who has Pakistani and German roots, has already worked for Henkel in India. Enis Toksoez is currently working in Dubai, but has also gained experience in Russia. And Colombian Juan Pablo Molina has been working in Peru since the beginning of 2011.

“By working abroad, you learn how to adjust to the mentalities, needs and demands of other people,” comments Rizvo. “This is a highly valuable skill to acquire – both for the individual personally and for the success of our global brands.”



Successful in European and Asian markets: Gliss Kur Ultimate Repair and Extra Care Ultimate Repair are the result of internationally coordinated insights into consumer needs and preferences.

www.schwarzkopf-retail.com.cn
www.glisskur.schwarzkopf.de

“Interacting with international colleagues is an integral part of my work at Henkel.”

Aida Rizvo
 Head of Cosmetics/Toiletries Marketing for the Asia-Pacific region.

High-performance products for advanced customer needs

Sales of smartphones and tablet computers are increasing rapidly. And consumer expectations for these mobile devices are rising just as fast. They expect them to become ever more portable, yet more robust and reliable. Henkel's Adhesive Technologies business sector helps manufacturers to meet these challenges by developing materials for handheld device assembly and semiconductor packaging.



**ROCKY HILL
CONNECTICUT, USA**

Andrew J. Bardon
Senior Application Engineer in Technical
Customer Service, North America. Far left:
Karl Gabrielson and Susan Levandoski.

Henkel Adhesive Technologies manufactures materials for a wide range of applications – from inside the chip to the outside of the mobile device. Underfills, for example, help ensure that if your mobile device is dropped, it will still work. Electrically conductive solders are used to secure semiconductor devices to circuit boards and establish the electrical connections so that data and information can be processed and transmitted by mobile electronic devices. Structural adhesives bond the device housing, buttons, connectors and displays. “Henkel adhesives can be found in most smartphones and tablets around the globe,” says Andrew J. Bardon, Senior Application Engineer in Technical Customer Service.

Customized global solutions

Henkel has several development laboratories located around the globe, each set up to validate our materials in equipment similar to what our customers use. Working in our labs in Rocky Hill, Connecticut, USA, Bardon states: “We test our materials in the same way as our customers, which gives us great insight on how to improve our formulations.”

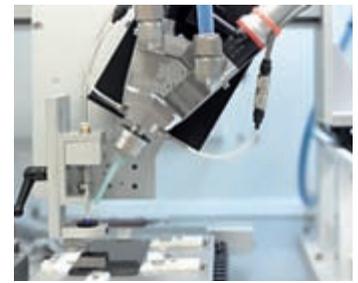
Henkel’s adhesives are dispensed using special equipment, including an innovative Loctite 4530 HC dispensing robot. This unit was developed by Henkel specifically for dispensing structural adhesives, not only for testing but also for high-volume manufacturing at customers. Andrew Bardon continually checks that the robot is dispensing the adhesive correctly – applying an ultrafine strand with a diameter of just 0.35 millimeters at a speed of 50 millimeters per second. The Loctite 4530 HC is offered to customers together with Henkel adhesives as a complete system solution that perfectly matches their advanced needs.



The handheld devices team in Shanghai conducts processing tests to ensure top quality parts made with adhesives from Henkel Adhesive Technologies. From the left: Howard Qin Zhu, Dr. John Ouyang and Jessica Zhou.

Henkel teams comprised of researchers, engineers and sales managers support manufacturers throughout the product design and production process. “We test our products on prototypes and often participate in the design of next-generation mobile devices,” states Bardon. “After we complete development with our customers’ design centers, we hand off the materials for production testing and implementation in Asia, where the handheld devices are generally produced on a large scale.”

Rapid response, technological expertise, and timely customer interaction are essential for successful collaboration in fast-paced markets, like electronics. Thus, we have strategically located our Henkel material design and test laboratories close to customers. For example, the site in Irvine, California, USA, is closely located to customer design centers, while our Shanghai design center is close to the manufacturing hubs in China. This way, products can be engineered and tested around the clock.



Speed and precision in the bonding of electronic components – with the innovative Loctite 4530 HC dispensing robot.



www.henkel.com/electronics
www.loctite.com

“We offer our customers tailor-made solutions for next-generation mobile devices.”

Andrew J. Bardon
 Senior Application Engineer in Technical Customer Service, North America.

DÜSSELDORF
GERMANY

SHANGHAI
CHINA

ROCKY HILL
CONNECTICUT, USA

MANILA
PHILIPPINES

MOSCOW
RUSSIA

Process excellence – through global shared services

Shared service centers offer greater efficiency, transparency and global standardization in a broad range of administrative and business processes. In addition to providing services for corporate functions such as Human Resources, Purchasing and Finance, teams in Henkel's shared service centers are now also being assigned to support processes serving our three business sectors.



Catherine Conde
Staff member of the Shared Service
Center in Manila, Philippines.

Catherine Conde is one of around 400 Henkel employees working in our Shared Service Center in Manila's Makati financial district. The site was established in 2003 as the first of three global Henkel shared service centers. These centers are already managing numerous processes and providing extensive services for Henkel, from invoice accounting to capturing and updating product and customer data. The teams in Manila primarily support the regions of Asia-Pacific and North America, although they also have global responsibility for certain processes.



Team meeting at the Shared Service Center in Manila: Catherine Conde (right) with Head of SSC Barbara Elaine Kunkle and her colleague Martin Roger Daquer.

“My colleagues and I are fully committed to working toward a common objective: We aim to constantly improve our service level day by day so that we can become ever more reliable, faster and more efficient,” says Conde. “We started out supporting the functions of Finance, Purchasing, Human Resources and Information Technology. Since 2011, however, we have also been working for Market Research and supporting the management of master data for different business units. It's an exciting development.”

Faster and more efficient

Around the world there are about 1,000 employees – located in Manila (Philippines), Bratislava (Slovakia) and Mexico City (Mexico) – making an important contribution to the steady improvement in efficiency at Henkel.

The three shared service centers perform a number of different tasks which can be globally standardized because they do not require in-depth local expertise – unlike the development of new products or marketing in specific segments and geographic areas. Each year, for example, the centers handle around 1 million invoices and make 750,000 payments, they process 44,000 purchase orders

and enter the details of more than 10,000 new customers into their systems.

Shared service centers offer a range of support activities for different organizational units – based entirely on standardized processes and IT tools. Since the establishment of these service centers, Henkel has been able to reduce its number of SAP systems. However, the fewer systems we now have are more wide-ranging and integrated, which in turn promotes the further standardization and optimization of our processes.

“Within the shared service centers, we see ourselves as a global process network working for Henkel's overall benefit. In this role we not only exchange expertise across the SSC organization but also work very closely with the local administrative units,” Conde explains. “Previously, many similar – if not identical – activities needed to be carried out by different colleagues at various locations, each using their own systems and processes. We help to ensure that such processes are clearly defined so that they can then be executed by our specialist teams on an integrated basis, faster and more cost-efficient. And for our colleagues in the markets, this ultimately means more time dedicated to further strengthening customer relationships.”



Established in 2011, the Shared Service Center in Mexico City has about 100 employees supporting financial processes aligned to the Latin America region.

“To become consistently more reliable, faster and more cost-efficient – that's our aim.”

Catherine Conde
Staff member of the Manila Shared Service Center in the Philippines.

Employee development – challenging and rewarding talents

In a highly competitive environment, a strong commitment to high performance is vital for Henkel's success. By applying globally uniform talent management and development processes, and a compensation system based on our "Development Round Table" meetings, we ensure that our managerial staff of about 9,000 receive clear and differentiated feedback, as well as recognition for outperformance.



Dr. Zuzana Schütz-Halkova
Vice President Human Resources for Central and Eastern Europe, with Ildar Akbaev, Head of General Industry in the Adhesive Technologies business sector, discussing the development of his team.

As VP Human Resources for Central and Eastern Europe, Dr. Zuzana Schütz-Halkova consults with our top-level managers in the region during their “Development Round Tables” (DRTs). In the course of these highly interactive annual meetings, line managers discuss the performance, the potential, and the career opportunities and related development requirements of their employees.

“Each year, we hold about 50 DRT meetings covering the entire Central and Eastern Europe region. These are our forum for discussing the performance of our managers within their spheres of responsibility, and also possible areas where we can further support their development,” explains Schütz-Halkova. The employees concerned subsequently receive comprehensive feedback from their line managers in an appraisal meeting. The two participants then agree on the individual development measures required. “I’m particularly proud of the fact that these annual DRT meetings provide all our managers around the world with the same career development opportunities,” says Schütz-Halkova. “My HR colleagues conduct the process in exactly the same way in all the countries and regions in which Henkel operates.”

Enhancing our performance-based feedback culture

The measures derived from the DRT meetings help to identify, further develop and effectively deploy talent within Henkel. In the Central and Eastern Europe region (CEE), for example, more than 160 employees were identified for assignment to international postings in 2011. As well as organizing numerous specialist and management seminars – often using our “CEE Academy” platform – we also



A meeting of the Cosmetics/Toiletries team for Central and Eastern Europe: Dr. Zuzana Schütz-Halkova (second from the right) advises Vice President Cosmetics/Toiletries Georg Höbenstreit (fourth from the right) and his team at a DRT that she and Monika Rauscher (standing) organized.

supported the advancement of around 100 managerial staff in our eight development centers.

An important aspect of the DRT system is the identification of performance differentials among our employees through in-depth discussion and evaluation by a group of supervising managers. Based on this differentiated assessment, we are able to offer above-average rewards for excellent performance.

“At Henkel, we have established a culture that promotes open feedback combined with a strong focus on performance,” explains Schütz-Halkova. And the example set by managers is important for further extending its reach. For management means not only assembling and further developing good teams, it also means dealing with all employees fairly on the basis of mutual trust and respect. It is essential that we encourage each member of the Henkel team to take full responsibility for their contribution, clearly identifying areas for improvement and appropriately rewarding success.

“Our aim is to properly assess performance, identify potential and provide the best development.”

Dr. Zuzana Schütz-Halkova
Vice President HR for Henkel
Central and Eastern Europe