

## Going Glocal as a Regional Leader

Successful organisations are empowering their regional teams to innovate and then rapidly scale new products and ways of working globally. Community Members discuss the value of a glocal business model, with **Anisha Tansley** 

A t a time when globalisation has stalled and localisation is accelerating, businesses are reassessing how they operate in an international context. More leaders are thinking 'local first' as they empower their regional teams. Done well, this glocal business model is set to deliver high-performance, growth and a more innovative culture.

Over the past two years, many senior leaders have been left stranded at HQ, unable to visit regional teams. While face-to-face interaction was widely missed, many local heads also welcomed the greater degree of autonomy that often ensued. **Holly Carmichael**, Head of Research and Market Development for APAC at Criticaleye, explained: "The pandemic encouraged many centralised organisations to give more freedom to regional and country heads, who had a better picture of what was happening on the ground.

"It has become clear to many organisations that sticking rigidly to centrally designed products, distribution channels and ways of working, may damage opportunities for sustainable growth in new markets."

Savvy businesses have often reworked global products and routes to market in order to better serve local markets, but this approach is now being employed more frequently in reverse too. Local ideas are going global.

**Oanh Phuong**, Head of Global Customer Care Centre at HP, defined 'glocal' as acting locally but with the intention to scale globally, in a way that results in sustainable growth. "When we think about brand, we act global, but when we think about delivery, we act local," she said. "We think about how to strategically scale the products and services that we deliver globally that meet local market and customer needs and sustain profitable growth. That also enables us to leverage the technology and the best practices, people and skills."

**Oanh** set out the power of glocal innovation: "The local teams are the ones that understand the environment, the customer orientation, the climate and then how the product is being used.

"We have several examples where innovation starts in a particular country, given the climate and how the product is being used, and then it turns into a global fix or a new product design or service," she said. >



Criticaleye Board Mentor **David Comeau** was previously President for the \$1.5 billion Asia Pacific Biscuit division at Mondelez International. He reflected on his time at the company, acknowledging he was initially a "centraliser" before Mondelez became flatter and he saw the benefits of empowering the local teams.

He described how regional empowerment led to a global growth opportunity for one of their brands, when the research and development team in China decided to design a thin Oreo. "They wanted to target women who are more concerned about overindulging, so they launched Oreo Thins," **David** explained.

"That never would have happened in the old model because it would be a strike against the brand. The Chinese launched Oreo Thins, and it's been super successful there and then later the Americans adapted it."

"It's a great simple way to show how many blind spots there are if you're over-centralised, certainly in consumerfacing businesses," **David** said.

Innovation doesn't need to be limited to customers and products either. **Keith Lawson**, SVP & GM of Asia Pacific and Middle East at Jacobs, the global technical, professional and construction solutions company, explained that Jacobs benefited from an important cultural push around mental health & wellbeing, which really helped them through the pandemic. "It was driven by local teams and now it has expanded to become a foundation of our culture globally," he said.

Bottom-up initiatives are widely encouraged at Jacobs. "It was really driven by our people – people with a passion – and they could see it was a Challenge in optimising a 'glocal' model is leadership

critical risk that needed to be addressed. It was then supported by our regional leadership, and that's how it took off."

Keith sees regional empowerment as a very important opportunity for much broader engagement. "From a global headquarters perspective, as long as you have the right kind of governance framework and structure in place, it really has the ability to drive better outcomes and growth locally," he said.

## **Striking the Balance**

Clarity on the overall business strategy, brand and set up are key to making the glocal model work. **Sylvia Burbery**, Regional President of Emerging and Seeds at Royal Canin, explained: "Finding the right balance for innovation, creating the framework within which you allow that glocal freedom, and being really clear on that is important.

"Otherwise, you can effectively end up with almost-separate businesses doing separate things. Also, if you're not clear, you just end up with a lot of energy wasted on internal tensions over who's responsible for what," she said.

David has seen instances where regional teams have strayed too far from the global brand. He advised, "I think you must have guardrails so that you're not having things happen in the field that may destroy or really hurt your brand. It could be a product quality issue, it could be a political ad."

Ultimately, the success of this approach relies on having the right people and behaviours at the top. **David** explained: "The biggest challenge in optimising a 'glocal' model is leadership – driving highperformance teams in this model requires humble and servant leadership."

Don't miss our upcoming <u>Asia</u> <u>Leadership Retreat: Rebuilding</u> <u>for Future Growth</u>, taking place on the 21st and 22nd April, at the Capella Hotel, Singapore.

## Featuring Commentary From:



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