THE EXPERT’S OPINION

An interview with
Alfred M. Zeien
Chairman of the Board and CEO
The Gillette Company

Interview conducted by Dorothy G. Dologite, City University of New York-Baruch College and Robert J. Mockler, St. John’s University

The Gillette Company is a Fortune 100 company with a global manufacturing and sales network for its blade, razor and personal care products. The market value of the company is over $17 billion and it operates in over 200 countries in the world.

JGIM: Let’s begin with fundamentals. How do you define a “global company?”

Zeien: It’s a term you hear everywhere. I will try to convince you that there are very, very few global companies. Most companies go through a progression. They start out as a national company and then they figure maybe I can export my products around the world and they become, what I would call an international company. What they’ve basically done is expanded their U.S. base, if they were a U.S. based company, by establishing some subsidiaries, moving their business further away from our shores.

JGIM: What happens in the next stage of growth to globalization?

Zeien: The next step is they become a multinational company. Now a multinational company is a company that strives to set up operations all around the world. This does not mean that this is a global company. If that company was a soup company, you may think of two or three of those, yes they sell soup in Australia and they sell soup in Malaysia, but they don’t sell the same soup and they don’t sell it in the same way.

JGIM: So then what is a “global company?”

Zeien: A global company is a company that treats the world as though it is one country. It makes no difference in its products, makes no difference in its policies, it makes no difference in its offerings, it makes no difference in its manufacturing system. It runs everything around the world as though it was a single country. I used to describe this in these terms: if this company were a regional company, say it was a New York City company, and it wanted to become a national company, what would it do? Well, it might set up a plant in Oregon and a plant in Mississippi and set up sales people...they would tend to replicate what they did in New York City and they’d say, “See how we’ve become a national company.”

Well a global company does exactly the same thing on a worldwide basis. It’s like saying that the United States, instead of having fifty states, has five hundred states. We have a series of products which we offer to the world; exactly the same pallet, the same products, the same array of products in Bangladesh as in New York City — sold the same way to the same specifications completely. That’s a global company.

We have 66 manufacturing facilities around the world, only eight of which are in the U.S. They are all run to the same specifications, they are all running using the same parts supplies, so that we can ship parts from here to there on a moments notice.

JGIM: How do you harness computer technology to serve your global company needs?

Zeien: Let me give you an example of a global company as it works in the computer age. You are probably familiar with the Atra cartridge, which is a small razor blade shaving cartridge which we sell. About six months ago our computer optimization program was saying we really shouldn’t continue to be supplying those Atra cartridges to the Australian market from our manufacturing operation in Melbourne. There was a cheaper way the computer identified and changed that in one hour.

How are we supplying Atra cartridges to the Australian market? The steel comes from Yusugi on the west coast of Japan. It goes from there to Rio de Janeiro where it is processed into blade steel. It is then shipped out into the Atlantic Ocean and up the Amazon River 1200 miles to Manaus where the plastic molding takes place and the blade steel is mounted into the cartridge, what we call a naked cartridge. Back out to sea, it goes to Singapore and there it is packaged and shipped to our Melbourne warehouse. That is the lowest cost way to supply cartridges to Australia. Believe it.