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# "Global strategy" and its impact on local operations: Lessons from Gillette Singapore

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Executive Overview

***Among the myths about global strategy is the assumption that it means integration across international operations that causes a loss of country identity and dissociation of product lines from their local context, as they report to global product managers. This article advances a different view, in which global strategy is synonymous with holistic approaches—not necessarily international ones—that can tighten local integration in the interest of global goals. The experience of Gillette after the acquisition of Parker Pen shows that mergers and acquisitions by global companies can involve local integration across divisions in order to create within-country synergies. It also shows that tapping the power of global brands often requires acknowledging country differences and respecting local norms—thus strengthening, rather than weakening, the local country unit and enhancing relationships across functions and divisions within it.***

"Global" is among the most overused and least understood words in business today. The phrase "going global" is used to refer to everything from opening a firm's first international sales office to taking a trip outside the United States. Scott McNealy, CEO of Sun Microsystems, received almost full page coverage in the New York Times a few years ago just because he traveled personally to Southeast Asia. And the uses of "global" are often imprecise. One company with operations in Mexico and Brazil calls itself "global" when it is really "hemispheric." An Asian consumer products company has been pursuing what it calls "globalization" by moving from its Philippine and Hong Kong bases into Indonesia, Singapore, and Malaysia, a strategy that was at best regional. An increasingly global economy is clearly important to businesses today, and understanding of global strategy is a critical element in any leader's repertoire. Information technology and trade that link the world have made export markets a vital part of the sales growth plan for manufacturing and, increasingly, service companies of all sizes. Even companies with a low percentage of international sales have international suppliers, compete with international companies in their home markets, and must meet world class quality standards in order to hold their local business.[1]

## Myths and Misunderstandings

What does global strategy really mean? Examination of the use of the words global and globalization by business executives and by the media indicate the prevalence of six major myths or misunderstandings. Uncritical acceptance of these myths prevents companies from taking full advantage of global opportunities.

***Myth #1: That global is synonymous with international, meaning simply having a presence in other countries whether or not there is any connection among activities across countries.*** Having a sales office, a factory, or a representative in other countries does not by itself make a company global, especially if country operations run independently, with few ties between them, and all power and influence resides at U.S. headquarters. Nortel's Turkish subsidiary, Netas, won Nortel's in-



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ternational quality award a few years ago; but few, if any, American and Canadian managers subsequently traveled to Turkey to learn best practices from Netas. Quaker Oats had a gem in its European pet food operations but sold the pet food division because of aspirations to be a beverage giant in the U.S.—and then later worried about insufficient international reach. Failing to include international outposts as key company resources prevents companies from crafting effective global strategies.

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The second misunderstanding is the flip side of the first. If global implies something more than international activities, then it involves homogenization. Thus, ***myth #2: That global strategy means doing everything the same way everywhere.*** Coca-Cola is one of the world's great universal global brands, made with virtually a world formula and with a logo and brand identity known even in remote villages of underdeveloped countries. But the global product is handled very differently in each market. Local variations include different local bottling and distribution partners (such as the Coca-Cola-Schweppes joint venture in the U.K. or the San Miguel partnership in the Philippines), different container sizes, different names ("Coca-Cola Light" instead of "Diet Coke" in Europe), and different product forms (fewer dispensing machines outside the U.S. means less demand for just the syrup).

The third confusion is about the identity of so-called global companies, as contained in ***myth #3: That globalizing means becoming a stateless corporation with no national or community ties.*** This myth is increasingly refuted by the rise of corporate citizenship. Indeed, one could argue that the more global the scope of business operations, the greater the need to make local connections in order to gain good will from customers, employees, and politicians who care about their local roots.[2] Companies must become insiders in all their markets in order to be globally effective—which is why Percy Barnevik, CEO of Asea Brown Boveri, prefers to call ABB a multilocal rather than a global company. At Kanter's suggestion, Novartis, the pharmaceutical giant created by the merger of Sandoz and Ciba, announced its new global identity with a day of local community service throughout the world. Becoming great local citizens can pay off within domestic as well as foreign markets. When entire blocks of businesses were burned and looted during 1992 riots in Los Angeles, residents protected McDonald's stores because of community service projects such as the Ronald McDonald House for sick children.

A corollary is ***myth #4: That globalization requires abandoning country images and values.*** On the contrary, global products sometimes derive identity from their place of origin, like the famous Marlboro man, who once sold American culture as part of the cigarette. Indeed, country images can be so strong that some companies borrow ones that aren't even theirs to create an international brand, like Haagen-Daz ice cream, an American brand that suggests Scandinavia, or Au Bon Pain, an American chain of French bakery-style cafes that is exporting frozen French-style bread dough to Latin America from its Boston factory.

The process of globalization is also misunderstood by some companies. ***Myth #5: That globalizing means tacking on acquisitions or alliances in other countries, without much integration or change.*** Just because a company has a partner or even a subsidiary outside its home country doesn't make it global, unless there is some value-added in every market because of the international ties. Pharmacia & Upjohn, the troubled drugmaker, reportedly stumbled because it never melded its Swedish and American operations and cultures—nor those of the Italian company that Pharmacia had purchased before the merger. Without synergies, there is no global strategy. Similarly, it remains to be seen whether international airline agreements such as the Lufthansa/United Airlines alliance (now expanding to encompass SAS and Thai Air) confer more benefits than smooth transfers among flights. If all United does is help travelers book a Lufthansa flight at its ticket counters and share lounges and frequent flyer points, United is no more global than it was before the alliance.

Finally, there is a common assumption that global strategy involves activities outside the home country, as in ***myth #6: that to qualify as global, a strategy must involve sales or operations in another country.*** Union Pacific Resources of Fort Worth, Texas, grew aggressively by pursuing what it calls a "home alone" strategy—concentrating on oil and gas exploration in the western United States while its competitors roam the world. But unlike myopic, parochial, domestic companies of the past, UPR scanned the world for opportunities, noted where its competition was strong, and considered all the areas in which it could best deploy

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new technology.[3] In short, global thinking is what's important for companies, not just counting international sales. That thought process, in turn, will expand opportunities in any market the company pursues.

If global strategy doesn't necessarily equate with international, universal, and unconnected to country identity, what does it mean? This is the question we sought to explore in our work with Gillette, especially in the Asia-Pacific region.

Global connotes holistic, integrated activity. Global strategy involves thinking in an integrated way about all aspects of a business—its suppliers, production sites, markets, and competition. It involves assessing every product or service from the perspective of both domestic and international market standards. It means embedding international perspectives in product formulations at the point of design, not as afterthoughts. It means meeting world standards even before seeking world markets and being world class even in local markets. It means deepening the company's understanding of local and cultural differences in order to become truly global.

Global success rests on the ability to listen and learn in locations far from the home base. Searching internationally for concepts as well as customers and suppliers can stimulate innovation and ease eventual entry into new markets. Consider how one Japanese auto company used an alliance with a car-leasing company in China to learn about use and repair of cars in that emerging market long before it considered manufacturing in China or even exporting its own cars there. International contacts suggest new ideas to bring to strategic discussions.

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Global strategy involves focusing on areas of excellence against a backdrop of worldwide possibilities, determining the synergies that exist across markets and alliance partners as well as the differences that must be taken into account in various locations. What we discovered in the case of Gillette was that effective globalization required strong local integration across functions and divisions in every place the company operated.

**The Gillette Company and Its International Organization**

The Gillette Company is the world leader in male grooming products. Founded in 1901, the company has consistently led a category that includes blades and razors, shaving preparations, and electric shavers. Gillette also holds the number one position worldwide in various female grooming products such as wet shavers and hair epilation devices. The company is the world's top seller of writing instruments, correction products, toothbrushes and oral care appliances. Gillette's leadership in over 200 countries and territories is fueled by 50 manufacturing facilities in 24 nations.

Gillette has long demonstrated a commitment to international markets. Between 1905 and 1909, the company established manufacturing facilities in Canada, England, France, and Germany. By 1919, branch offices or companies were started in Copenhagen, Madrid, Milan, Istanbul, Calcutta, Sydney, Brussels, Geneva, Buenos Aires, Singapore, and Shanghai. Gillette's traditional multinational strategy was to market and distribute its latest and most technologically advanced products in only the world's most developed regions. Emerging markets were valued and deemed important to the company's continued growth, but the products available there may have been launched five, 10, or 15 years earlier in countries like the United States. This "Stone Age theory" according to Gillette CEO Alfred Zeien, survived until the late 1980s, when Gillette discovered that the forces of change had made such an approach obsolete. Beginning with the worldwide launch of Sensor in 1990, Gillette became one of the first truly global companies. Today, the latest and most technologically advanced Gillette products and manufacturing systems can be found almost anywhere in the world.[4]

To support Gillette's increasingly global focus, the company went through a restructuring in 1988, creating three principal divisions. The North Atlantic Group manufactures and markets the company's traditional shaving and personal care products in North America and Western Europe. The Diversified Group comprises the Stationery division's North Atlantic arm; as well as the Braun, Oral-B, and Jafra companies, each organized on a worldwide product line basis. The International Group produces and sells the company's Shaving, Personal Care, and Stationery products in all markets except North America and Western Europe.

The International Group is divided into three regions: Latin America; Africa, Middle East, and Eastern Europe (AMEE); and Asia-Pacific. Each

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area has a Group Vice President that oversees Gillette's sales of Shaving, Personal Care, and Stationery products in that region. The Asia-Pacific group markets are Japan, Hong Kong, China, Australia, Singapore, Korea, Indonesia, Thailand, Taiwan, Malaysia, the Philippines, New Zealand, South Pacific, South Korea, and Indochina.

Gillette's global strategy includes a clear understanding of local differences—that each market presents unique challenges, requirements, and opportunities. In the rapid growth Asia-Pacific region, for example, Gillette has used merger integration as a vehicle for developing a wholly integrated approach to individual markets. In Singapore, the acquisition of Parker Pen in 1993 triggered the establishment of a new organizational structure that has allowed Gillette to show one face to the customer and act as a single, integrated entity to suppliers in the region. While the integration reflects a global strategy, the ability to pull it off required a local sensitivity and orientation. Indeed, the story of Gillette Singapore's merger with Parker Pen illuminates the link between global strategy and local mastery. It demonstrates how managing local integration is key to unleashing the power of global brands.

**Gillette Singapore and the Search for Global Integration in the Asia-Pacific Region**

In the 1960s, Gillette established an Asia-Pacific manufacturing presence with a blades, toiletries, and liquid paper facility in Australia. In 1970, it added a small, old-style, double-edged blade plant in Malaysia. Over time, the company began constructing larger factories in areas such as the Philippines, Indonesia, and Thailand. By the early 1980s, Gillette had gradually put together Asian sales forces and an infrastructure in the region.

In June 1984, Gillette announced the $188.5 million purchase of Oral-B Laboratories, the leading marketer of toothbrushes in the United States. A profitable and well-managed company, Oral-B manufactured top-quality products that were distributed through many of the same channels that already existed within the Gillette network. As Gillette's technological expertise was in metals and other shaving-related raw materials, it saw no reason to disrupt the Palo Alto-based Oral-B operation with a heavy-handed management takeover. On the contrary, the value of the Oral-B acquisition was in benefiting from distribution channel synergies. Keeping Oral-B managers focused on a product-line basis was key to making the acquisition a success.

While the Oral-B management and reporting structure remained intact, managers at established Gillette operations in developing regions like Asia-Pacific were tapped to assist with sales and share with Oral-B such back-room services as finance and operations. This concept was a difficult one for many Gillette employees to accept. The Gillette Company culture was one where performance reigned supreme. Managers were pushed to set and consistently meet aggressive growth numbers in all of their markets. Gillette managers viewed the first Oral-B employees to arrive in Malaysia as nuisances and threats to their livelihoods. Gillette sales people were paid and evaluated relative to how much product they sold. As far as they were concerned, any time spent on Oral-B was time lost on a Gillette-managed product. The company incentive structure was such that sales people had nothing to gain and everything to lose by helping Oral-B.

To remedy this situation, Corporate Controller Chuck Cramb introduced the concept of notional accounting. This double counting procedure allowed both Oral-B and Gillette managers to take credit for the same sales. Still, implementation of this concept was not easy. According to Norman Roberts, former Asia-Pacific Group VP and a champion of local integration, "Managers had to learn how to cooperate with people that they had no direct authority over."

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Over the next several years, employees throughout Asia-Pacific became introduced to the notional accounting concept and the prospect of shared services. While each market was different, an initial display of resistance and turf-guarding was the norm. One issue that proved particularly disruptive in the company's effort to build cohesion was Gillette's strong shaving affiliation. In a company identified the world over for its shaving dominance, Oral-B managers couldn't help but feel like second class citizens. At the same time, managers on the shaving side were wary of spending their time on Oral-B for fear of losing ground on the core business. For headquarters, the challenge was to convince employees that Gillette was more than a shaving company. This was easier said than done. Still, despite the difficulties, Roberts felt strongly that a collaborative environment was necessary to

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take advantage of Gillette's established infrastructure in developing markets.

As Group VP, Roberts had the latitude to organize Asia-Pacific operations in a way that he felt would best maximize current and future performance. In 1992, he drafted and distributed to general managers in all AP markets a simple, one-page document called the Campus Charter. In it he wrote, "the campus concept is simply that in Asia-Pacific it is more efficient for the various divisions of the Gillette Company (Shaving, Stationery, Oral Care, Braun) to operate under the same roof sharing common services."

Essentially, the Campus Charter asked business unit managers to maintain their reporting autonomy while sharing support services such as finance, information technology, human resources, and, in some instances, sales. The new structure was designed to not only exploit synergies and avoid duplication but also to advance Gillette's global integration strategy by showing one face to the customer and allowing the company to act as a single entity to suppliers in developing markets.

In May 1993, Gillette acquired Parker Pen Holdings Limited of the U.K. for 285 million British pounds (equivalent to $460 million U.S. dollars on the date of purchase). Originally a division of a Wisconsin-based firm, Parker was sold to U.K. investors as part of $100 million management buyout in 1985. As a British company, it battled aggressively with Waterman, located just across the English Channel. When Gillette bought the French company in 1987, it was buoyed by Gillette's deep pockets and strong distribution network. Through Waterman, Gillette enjoyed a 21 percent share of the luxury segment of the world pen market. With the 1993 addition of Parker to the company's Paper Mate and Waterman brands, Gillette would own 40 percent of that market and become the clear worldwide leader in writing instruments.

Despite its strong market position, Parker maintained a close-knit and familial corporate culture. Perhaps because of its origins as a family-owned company, Parker had a flat organizational structure and prospered in an informal environment. It had a single-brand, high-end product line of which members of the company were extremely proud.

With the Parker Pen integration on the immediate horizon, Norman Roberts decided that now was the time for Asia-Pacific markets to embrace a full-fledged campus approach. Although already operating within a system of shared services and notional accounting, the prospect of physical relocation presented the opportunity for an organizational restructuring in the region.

**The Four Lessons of Gillette Singapore**

At the urging of Norman Roberts, Gillette Singapore would be the first Asia-Pacific market to fully integrate Parker Pen and establish formal campus operations. Gillette Singapore is the marketing and distribution arm for the Gillette Company in the 633-square mile, Southeast Asian nation-state of Singapore. Originally established in 1919, Gillette's modern-day Singapore operation came into being during the mid-1970s. Consistently the most profitable market (on a per capita basis) in the Asia-Pacific region, Gillette Singapore's 1993 sales were nearly $9 million in an area containing only three million people. Gillette-managed businesses (Shaving, Oral Care, and Personal Care) accounted for 57 percent, 31 percent and less than 1 percent of profits respectively. Non-Gillette-managed Stationery was responsible for 12 percent of earnings. Braun (another non-Gillette managed business) did not do business out of Gillette Singapore at the time.

The new organizational structure called for the current GM of Shaving and Personal Care in Singapore to assume the additional role of campus dean. In this capacity he would be responsible for overseeing all integration activities.

At the new Gillette Singapore campus, Shaving and Personal Care would be a division of nearly 20 people, including a 10-person sales force reporting directly to the GM. Also depending on this sales team would be the Oral Care division, which would have a staff of only four, along with a business manager. The Gillette Stationery division, naturally, would experience a complete shake-up. Formally a seven-person group that relied heavily on the Shaving sales force, this department would expand to over 20, in part because Parker's Singapore office housed its regional general management, as well. As a result, the Singapore Campus would contain a regional GM for Stationery in addition to a person in charge of the local operation. Under these people, would be Marketing and Promotion departments, as well as an exclusive eight-person Singapore sales team. If the Stationery division was to be dominated by Parker people, the support functions would split right down the middle. The financial controllers of each office would be teamed up to head Finance. Under them would be clerks and various support staff numbering close to 20. Also greatly expanded would be the Materials Management office, whose five-person staff would triple and handle warehouse and other operations-related activities for the entire Campus. Initially there would be no Information Technology (IT) or Human Resources (HR) function but,

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once established, all four support areas (Finance, Materials Management, IT, and HR) would report directly to the campus dean.

The integration of Parker Pen and establishment of Campus operations in Singapore was both a tremendous challenge and an unqualified success. For Gillette headquarters in Boston, local integration of International Group operations was key to implementing its global corporate strategy. For those on the ground in Singapore, the experience provided several practical lessons that could be useful to other global players.

### *The Need for Integration Across Functions and Divisions*

Tapping the power of global brands and the economies of global production requires greater integration across functions and divisions at the local level—and thus, strong local management. Even though Gillette was organized around worldwide or superregional product groups and functional groups, managers on the ground in various countries did not report to international bosses outside of their local territory, thus losing connection with their local base. The campus concept was born from the vision of showing one face to the customer. Without coordinated activities, the total effectiveness of Gillette's operations in Singapore would have been nothing more than the sum of its parts. Instead, the global synergies that Gillette sought were manifested through local relationships.

In Singapore, Personal care, Oral care—and eventually, the newest acquisition, Duracell—all benefited from Shaving's relationships and clout with local distribution channels. The new Stationery sales force—responsible for both Parker and Waterman stocks—also has considerably enhanced leverage. Indeed, when operational synergies are the motivation for an acquisition, the need for links between the combining organizations is high.[5] Housing all business units under one roof allows the relevant stakeholders—customers, suppliers, employees, and community members—to view Gillette Singapore as one company with one vision and one way of operating. Employees are better able to understand, exchange ideas with, and transfer into other divisions. The strong operational integration required by the campus creates a new and universally-accepted culture—one that can be consistently displayed to those outside the organization.[6] Besides the obvious benefits of cost-cutting, the Campus approach delivers bottom-line value by strengthening Gillette's brand identity in Singapore. Individual product lines are more easily associated with the Gillette name—thus elevating their perceived value in the marketplace. Like other successful integrators, Gillette understands that well conceived acquisitions ensure that valuable customers win too.[7] The emphasis on local integration in international markets is one reason the Gillette Company has developed such powerful global brands. Indeed, as the actual amount of resource sharing between two firms increases, and the years since the merger increase, so do performance benefits from the merger.[8]

### *The Need to Manage Change*

Managing globalization means managing change, and handling a variety of human issues connected with local settings. Defining global strategy is a high-level corporate function that can be done for the whole corporation with a single plan. But operationalizing it means managing multiple changes in multiple places. Creating the Gillette Singapore Campus and integrating Parker Pen was identified by Singapore managers as the most difficult change management challenge in recent memory. For all its strategic importance and global significance, successful integration was about dealing with people and managing resistance to change—and the nitty-gritty basics mattered.

For example, when the word got out that a new office location for the campus would have to be found, ex-Parker employees (who had been working at Parker headquarters on the east side of the island) threatened to quit if a new location was chosen in the west. Long-time Gillette employees, on the other hand, had grown accustomed to the west and were reluctant to commute the ten to twenty extra miles east. This posed a significant dilemma—especially since high-turnover at a target company has proved to be negatively correlated with successful integration.[9] Eventually, the Gillette Singapore GM plotted on a map the homes of every campus employee, then chose a new site on the side of the island inhabited by the greatest number of employees. When a new space in the east finally was found, employees and managers from all business units jockeyed for position regarding office space and transition responsibilities. While Gillette headquarters did have some standard guidelines regarding the size and type of office for various management levels, senior Asia-Pacific executives from different divisions lobbied the Gillette Singapore GM for extra space to house and support their particular business unit activities.

Furthermore, while the new structure was still

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being shaped, several managers tried to position themselves for greater power and authority in the new regime. Managers who weren't involved in the initial integration planning were particularly demanding and more likely to view the merger as a threat.[10] At Gillette, where the razor-and-blade division had long been dominant, the people not assigned to Shaving had power issues, and either wanted to change divisions or get some assurance (usually financial) that their contributions were valued. For those that weren't as vocal, it was by no means a sign of contentment. Individuals on both the Gillette and Parker sides were nervous about the proposed integration. For better or worse, they had established a routine in their old jobs; they knew what to expect and they knew what was expected of them. In the new environment, there would be new opportunities, challenges, and conditions. There also would be new rivalries and jealousies. Bringing together different units under one roof meant bringing together people with different wage scales and benefits packages. It didn't matter to an ex-Parker finance person in Singapore that his counterpart in Taiwan or Brussels or the United States was making the same money. He wanted to be paid on an equitable basis with the person sitting next to him. Indeed, the issue of pay-equity is critical—and successful acquirers will craft a new compensation system that fosters cooperation and the creation of a merged corporate culture.[11] That Gillette had historically paid higher salaries than Parker was no longer relevant. Parker had become part of Gillette—and Parker people wanted be paid the same money as their coworkers doing the same job.

### *The Need to Respect Local Cultures*

Global processes must be tailored to local cultures. Many M&A experts in the U.S. have cited speed as a key element of successful integration. Two such experts write that "fast track integration ensures that anticipated gains are realized as soon as possible. Shaving one month off the integration timetable can generate millions of dollars for the bottom line of the combined organization."[12] Despite this widely held belief, Gillette wisely gave Singapore time to handle relationships and action steps in a way that was respectful of the norms and customs of the area.

Soon after the acquisition was announced in May 1993, the Gillette Singapore GM (a Singaporean in his mid thirties) paid a visit to the GM of Parker, a Chinese gentleman in his early sixties. As is customary in Asia, the two men discussed the merger in a pleasant, courteous manner. Although soon to be campus dean, and in many ways senior to his Parker counterpart, the younger GM was careful to lay out transition steps that would be amenable to the Parker side—and to defer to his elder in many subtle ways that would communicate the proper respect. Of course, the Parker GM and his employees had many questions about how the new organization would be shaped. In this part of the world, time was needed to feel out a new relationship. Various meetings and get-acquainted sessions were organized between Parker and Gillette over the next several months. Of course, time was important—but the Gillette Singapore GM knew that rushing things could have disastrous results. A December 1, 1993, joint reporting deadline was pushed back to March 1, 1994. Gillette could have demanded that Singapore move faster, but imposing one-size-fits-all policies without reevaluating for cultural appropriateness can be a costly mistake.[13] Even the Singapore Campus' eventual move-in date had cultural significance. In Chinese society, it is very important to choose an auspicious day for such a significant event. Both Gillette and Parker employees helped select a date in late February that they all felt was worthy of commemorating this organizational marriage. Recognizing that different cultures require different rules of conduct and administrative procedures, Gillette is able to solidify its presence around the globe.[14] Its sensitivity to local considerations improves the chances for global success.

***Recognizing that different cultures require different rules of conduct and administrative procedures, Gillette is able to solidify its presence around the globe.***

### *The Need to Understand a Corporation's Culture*

In global companies, business cultures can be even stronger than country cultures. During the Parker integration, Gillette Singapore's campus dean, a native of the area, was promoted and replaced by an American expatriot. The move was seen as positive by many, and the new GM was a powerful force in helping to bridge the cultural gap between the two organizations. Why was an American effective in this role? Because the integration issues had less to do with country culture and race than they did standard business practices and philosophies. Parker and Gillette were very different types of companies. Gillette was performance-driven, relatively centralized and formal, and pro-

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moted mass-market products throughout the world. Parker, on the other hand, was familial, informal, and identified itself as producer of a prestigious pen. Research has shown that some cultural problems associated with combining organizations are more amplified in domestic, rather than cross-national settings.[15]

Indeed, the challenge in melding Parker and Gillette's operations in Singapore was not about country origin—in fact, the majority of employees on both sides were from Asia—but about corporate culture. For ex-Parker people, the Gillette Singapore campus was located not two miles from where they had previously worked. Former Parker employees even outnumbered Gillette staff in the new organization. The biggest adjustment was in combating the feelings of lost autonomy. Regardless of the circumstances, most cases show that people at the acquired company are likely to have higher anxiety levels than those at the buying firm.[16]

Despite Gillette's obvious sensitivities, several Parker employees likened their experiences to a new form of colonization—an imperialistic takeover that left no ambiguity between conqueror and conqueree. For Parker employees, the Gillette acquisition meant that they could no longer operate in the congenial atmosphere that many of them felt made the company unique. According to one particularly reluctant Gillette Singapore employee, "At the old Parker, coming to work was enjoyable and fun. After the move, I would wake up and say, 'Oh no, another day.' " Does this reaction suggest a heavy-handed takeover by Gillette? Probably not. What it does reflect, however, is the difficulty many people have adjusting to new business environments. The absorption of an organization characterized by very different value systems, expectations, and world views will tend to be associated with massive value destruction by acquired employees.[17] In fact, the Parker veteran said he spent several years working for the firm in Europe and enjoyed the experience just as much as he did in his home country of Singapore. For him and many others, stress and uneasiness about globalization comes not from entering new markets, but from integrating with other corporate cultures at home.

## The Real Meaning of Global Strategy

We initially began our exploration of Gillette's Asia-Pacific operations with an eye toward understanding how global strategy redefined country operations, reducing the power of countries as activities fell under international groups that managed them uniformly across wide geographic territories and attempted to wipe out local differences. In short, we too had been influenced by the prevalent myths and misunderstandings about globalization.

What we found instead when we examined global strategy in one of the world's most global companies was that local integration and local relationships became even more important as Gillette sought to gain the power of global brands. We saw that global strategy required a great deal of local coordination, across divisions and products as well as across functions. This local coordination, in turn, left room for incorporating local differences and variations into global thinking—including variations in consumer preferences, infrastructure, and employee expectations.

This case study reinforces our conclusion that the best definition of "global" is "integrated," not "international." Companies with international activities have greater need for multiple forms of integration, but they do not always build the linkages across countries or products or functions that allow them to think about all of their resources simultaneously and therefore to tap the power of the whole. The key to success in the global economy is for companies to behave in a more integrated fashion—to tap the collaborative advantage that comes from being able to use all their resources and being able to work across boundaries.[18] That means becoming knowledgable about local needs, skillful at managing local changes, and expert at forging cross-boundary relationships—and doing this in many places at the same time with a global, or holistic, strategy in mind.

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## About the Authors

**Rosabeth Moss Kanter** holds the Class of 1960 Chair as professor of business administration at the Harvard Business School. Her new book, *Rosabeth Moss Kanter on the Frontiers of Management,* published by the Harvard Business School Press (1997), brings together for the first time many of the landmark articles she published in the *Harvard Business Review* and links them with new commentary and overviews designed to help managers understand their roles in organizations undergoing massive change and to provide a comprehensive look at the challenges of leadership and innovation still to be met. Kanter has published 12 books and over 150 articles. "Best article" awards include a McKinsey Award from the *Harvard Business Review.* She taught previously at Brandeis, Harvard, and Yale Universities (1977–1986). She cofounded and is board chair of Goodmeasure, Inc., a consulting firm, whose *A Tale of "O": On Being Different,* is a best-selling video on workplace diversity. Kanter has received numerous national honors, including a Guggenheim Fellowship, 18 honorary doctoral degrees, and several Woman of the Year awards. She has been a consultant to major corporations all over the world, including Bell Atlantic, Quaker Oats, and BankBoston in the U. S., Novartis, Volvo, and Inmarsat in Europe, and San Miguel in Asia.

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