

# Implementation of Agile Product Management at Gillette (Issue and Information)

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**Introduction:** In a latest podcast with Scrum.org<sup>1</sup>, David Ingram, who is the Vice President for Research and Development at Gillette, discussed the challenge to develop new Gillette product within a short span of time. He also discussed the success story of using Scrum framework at Gillette to develop and launch products faster as compared with the past. David Ingram is responsible for the development of new products at Gillette. He is based in their innovation Center in South Boston. David implemented Scrum framework to develop his new products at Gillette. In the past, no such agile framework was used at Gillette. Product developers at Gillette used the Waterfall process to develop their products. Now they wanted to develop a new wet shaving razor in a short span of time. To solve this problem, the company selected Scrum framework instead of Waterfall method this time. David mentions that Scrum framework immensely helped them develop the product much more quickly and deliver the value to its users. David also mentioned that, in a company like Gillette, where around 100000 people worked, it was quite challenging to do the designing and the proposition of the products quickly. This is a typical design-stage challenge for a new product. The heavy amount of communication among different teams and multiple other challenging problems, which arise during the development of new products, make the design of the product more complicated as well as complex. Development of the hardware, development of the packaging, development of the marketing story, development of the manufacturing strategy together makes the entire process quite challenging. David mentioned that Gillette launched a new razor once every five to seven years. But this time duration of developing new products is quite high and delivers less value to the users. The management at Gillette wanted to reduce it to a few years. They wanted to develop the best product they had ever developed, but within a few years. He mentioned that nowadays it is not necessary that men should be clean shaven. The attitude towards fashion and style sense of men have changed over the years. They want to keep their beard instead of shaving it. This gives a challenge to the wet razors developed by Gillette. So, Gillette must develop a much better

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<sup>1</sup> West, Dave. *Company Spotlight - Scrum at Gillette*. Scrum.org., 2022.

razor than before its other competitors within a short span of time. The product developers want to define new problem statements to develop wet razors to deliver more value to the users. If this issue is dealt with Waterfall process, Gillette will never be able to make the timings and make the product which users really wanted.

**Company Background:** Gillette is a brand of razors and other products which fall under the personal care category. The brand is owned by Proctor & Gamble. Earlier it was owned by The Gillette Company<sup>2</sup>. The Gillette Company was founded by King Camp Gillette. He founded it in 1901. Gillette brand has its centers and investors across the world. In India, they have Gillette India Limited under Proctor & Gamble<sup>3</sup>. Proctor & Gamble sells its products in around 180 territories and countries. In 2005, Proctor & Gamble owned Indian Shaving Products Limited and renamed it as Gillette India Limited. The strategy of Gillette India Limited is to focus on innovation and work. Gillette India Limited develops products in the field of grooming and oral care. It has initiated activities for environmental sustainability also. It has collected and recycled more than 19000 MT of plastic waste. It has targeted to achieve Net Zero Green House Gas from its production units by 2040. Exhibit 1 shows the 10-year financial highlight of Gillette India Limited. The data from the report is summarized below.

| KPI               | Change in %                | Year      |
|-------------------|----------------------------|-----------|
| Net fixed assets  | Increased by around 12.01% | 2021-2022 |
| Net worth         | Increased by around 9.10%  |           |
| Gross sales       | Increased by around 12.29% |           |
| Profit before Tax | Decreased by around 4.04%  |           |
| Profit after Tax  | Decreased by around 6.77%  |           |

Table 1: Summary of KPIs from Annual Financial Report of Gillette India Limited

This shows that although gross sales increased, Gillette India Limited's profit reduces from 2021 to 2022. Exhibit 2 shows the strategies of Gillette India Limited. It also set Risk Management Committee which is in line with the parent company.

**Industry background:** Gillette India Limited and its parent company Procter & Gamble fall under personal care industry. The market is segmented by skin care, fragrance, cosmetics, shower and bath, oral care, body care, grooming and skin care products. The market leaders

<sup>2</sup> Wikipedia. *Gillette*. Wikipedia, 2022, *Gillette* - Wikipedia.

<sup>3</sup> Gillette India Limited. *Gillette India Limited Annual Report 2021-22*. Gillette India Limited, 2022.

are Unilever, Revlon, Procter & Gamble, Avon Products Inc., L'Oreal, etc. Avon<sup>4</sup> has enabled sustainable and lean methods. It also enabled a concept called *high tech anywhere*. On the other hand, Revlon<sup>5</sup> has enabled digital transformation. It decided to further strengthen its eCommerce business and strengthen its digital capabilities. Exhibit 5 and Exhibit 6 show the forecasted growth of the personal care industry. As per the forecasted visualizations, it has been observed that the market will grow at around CAGR of 7.9%<sup>6</sup>. Most of the sales are likely to be via the specialty stores. It has been observed that skin care and hair care products are more popular among users. The rise of living standard, rise of earning and rise of self-caring consciousness have added extra advantage to the growth of this industry. Upgradation of lifestyles and purchase-power in India, China and Brazil have increased the demand of personal care products tremendously. Exhibit 5 shows that there will be a continuous growth of sustainable self-care products as well. Also, there is a shift in buyers' persona. People are more inclined to buy luxury personal care products than economic ones. As seen, the oral care industry is also a growing industry. The market is dominated by around 5 key players including Procter & Gamble, Colgate-Palmolive Co., etc. The current trends in the industry are innovation in the field of oral care, heading towards development of sustainable products and developing innovative methods to increase the awareness of oral care among users. Many oral care industries are developing products and packets from reusable materials. This also saves the cost of raw materials. In addition, the companies which develop shaving products are trying to add new features to their wet shaving products. As discussed by David Ingram, it has been observed that there is a change in the style-sense of men. This creates a threat to wet razors and other related products for men. Now the industry wants to bring methods, processes, and tools to understand what users want and how to deliver them as soon as possible. To enable this, the industry is bringing more agile methods so the selling, distribution, plant operations can be improved. The industry is using more advanced technologies in the research and development areas. This gives the companies a competitive advantage. As for example, Gillette India Limited has enabled technology absorption and adaptation as a continuous process. Initiatives are taken to innovate more, to develop products more quickly, and improve the packaging. In this

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<sup>4</sup> Avon. Proud of Our Past, Excited About of Our Future. Avon, 2022, [Our Long-term strategy | Open Up & Grow Avon](https://www.avonworldwide.com/our-long-term-strategy) (avonworldwide.com).

<sup>5</sup> Revlon. *Revlon 2021 Annual Report*. Revlon, 2021.

<sup>6</sup> Polaris Market Research. *Personal Care Products Market Share, Size, Trends, Industry Analysis Report, By Type (Skin Care, Men's Grooming, Hair Care, Body Care, Lip Care, Oral Care, Color Cosmetics, Bath & Shower, Fragrance), By Distribution Channel; By Consumer, By Region; Segment Forecast, 2022 – 2030*. Polaris Market Research, 2022.

connection, Gillette India Limited has used cutting-edge technology for superior product quality, improving process efficiencies, reduce cost and improve energy efficiency. Thus, the trend, which is going on in razor industry, is to develop razors<sup>7</sup> of diverse variants like disposable razors, electric razors, cartridge razors, wet razors, etc. The materials used are carbon steel and stainless steel.

**Product:** Gillette India Limited has multiple products its portfolio<sup>8</sup>. Gillette Mach 3, Gillette Fusion 5, and Gillette Guard are shaving razors. Gillette Venus, which is made from recycled materials, is a premium disposable razor for hair removal. Gillette Styler is a trimmer, shaver, and edger. Gillette India Limited delivered excellent growth in two blade business as well in razor business. Gillette India Limited also excelled in Oral care category with its products like Oral-B toothbrush for adults and kids. It also released electric toothbrushes.

**Market and Consumer:** Oral Care market is a growing market<sup>9</sup>. Exhibit 3 shows the forecast of the market. Nowadays people prefer using preventive oral care products to medication, as a viable alternative. The drive of the sales of oral healthcare products is affected by the availability of small dental clinics having dental dispensaries. Another factor affecting the oral care market is increment of competitive price of the oral care products and lack of understanding of the features or benefits of the product. The oral care market is driven by oral hygiene consciousness. Another change is observed in the sales channel. People are more interested in purchasing oral care products online with free shipping and at reduced rates. Asia Pacific is the largest market and North America is the fastest growing market in this category. As per the product type, toothbrushes have the highest revenue share in 2022. As per the user type, adults cover the highest percentage of users of oral care products. The specialty stores are one of the major sales channels of the products. The forecast of global razor market<sup>10</sup> is shown in Exhibit 4. Growing awareness of personal hygiene can accelerate the sales of razor market. It has also been observed that there is rising growth of disposable

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<sup>7</sup> Saurabh Maral. Razor Blade Market Size, Recent Trends, Key Players and Forecast to 2023-2030. LinkedIn, 2023.

<sup>8</sup> Gillette. *Built stronger to last longer*. Gillette, [Gillette India - Men's Razors, Trimmers, Shaving Gel and Foams](#).

<sup>9</sup> Precedence Research. *Oral Care Market (By Product Type: Toothbrush, Toothpaste, Mouthwash, Dental Floss, Denture Care; By Age Group: Kids, Adults, Geriatric; By Sales Channel: Hypermarkets/Supermarkets, Specialty Stores, Drug Stores & Pharmacies, Convenience Stores, Online Sales Channel) - Global Industry Analysis, Size, Share, Growth, Trends, Regional Outlook, and Forecast 2023 - 2032*. Precedence Research, 2023.

<sup>10</sup> Data Bridge Market Research. *Global Razor Market - Industry Trends and Forecast to 2029*. Data Bridge Market Research, 2021.

razors. The razor market of Asia-Pacific region is the most dominant one compared to other regions. The growing disposable income boosts the growth of the market.

**Competitors:** The key competitors of the Gillette India Limited and its parent company Procter & Gamble are Colgate Palmolive Co., GSK group, Unilever, and Bombay Shaving Company. Colgate Palmolive's brand Colgate manufactures toothbrushes and toothpastes for adults and for kids and mouth cleansers<sup>11</sup>. It manufactures various brands of toothbrushes like KEEP Toothbrush. It has 80% less plastic compared to others. The advanced electric toothbrushes have pressure sensors, different modes, etc. Visible White O2 Toothbrush, which has spiral bristles, helps removing extra stains. Different media (including newspapers) appreciated them regarding packaging of the products, and launch of the products, etc. It uses recycled materials in the packaging of toothbrushes. On the other hand, GSK group's brand Sensodyne manufactures different variants of toothbrushes. It targets users who have sensitive teeth. Unilever's brand Pepsodent manufactures toothbrushes, toothpaste, and mouth washes<sup>12</sup>. It focuses on scaling innovative technologies. Pepsodent promoted toothbrushing using teledentistry initiative. It did the activity in Indonesia and Vietnam. The service offered access to free dental advice and dentist consultations through mobile Apps. Bombay Shaving Company manufactures all types of shaving tools, including safety razors.

**Restatement of the problem statement:** The problem statement is to find a solution to develop new Gillette products in a short span of time and to develop the features in the products which exactly users need. This will maximize the value delivered to its customers by the products.

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<sup>11</sup> Colgate-Palmolive (India) Limited. *Annual and ESG Report 2022-2023*. Colgate-Palmolive (India) Limited, 2023.

<sup>12</sup> Unilever. *Unilever Annual Report and Accounts 2022*. Unilever, 2022.

## Appendix 1

| TEN YEAR FINANCIAL HIGHLIGHTS                 |        |        |        |        |        |        |        |        |        |        |        |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|   | IND AS |        |        |        |        |        |        | IGAAP  |        |        |        |
|   | 2022*  | 2021*  | 2020*  | 2019*  | 2018*  | 2017*  | 2016*  | 2016   | 2015   | 2014   | 2013   |
| <b>YEAR END FINANCIAL POSITION (₹ Crores)</b> |        |        |        |        |        |        |        |        |        |        |        |
| Net Fixed Assets                              | 428    | 382    | 318    | 325    | 305    | 277    | 266    | 274    | 219    | 233    | 200    |
| Net Worth                                     | 861    | 789    | 911    | 778    | 694    | 501    | 937    | 858    | 742    | 643    | 649    |
| <b>SUMMARY OF OPERATIONS (₹ Crores)</b>       |        |        |        |        |        |        |        |        |        |        |        |
| Gross Sales                                   | 2256   | 2009   | 1679   | 1862   | 1677   | 1788   | 1863   | 2072   | 1984   | 1766   | 1459   |
| Profit Before Tax                             | 411    | 429    | 314    | 339    | 345    | 374    | 328    | 327    | 246    | 81     | 138    |
| Profit After Tax                              | 289    | 310    | 230    | 253    | 229    | 253    | 214    | 213    | 158    | 51     | 87     |
| Dividend paid in the Financial Year           | 224.84 | 430.12 | 81.46  | 136.86 | 32.59  | 566.98 | 64.78  | 81.07  | 48.88  | 48.88  | 48.88  |
| <b>PER SHARE DATA</b>                         |        |        |        |        |        |        |        |        |        |        |        |
| Eps (₹)                                       | 88.79  | 95.25  | 70.64  | 77.62  | 70.29  | 77.67  | 65.73  | 65.38  | 48.53  | 15.78  | 26.75  |
| Dividend paid in the Financial Year(%)        | 690    | 1320   | 250    | 420    | 100    | 1740   | 199    | 249    | 150    | 150    | 150    |
| <b>NUMBER OF SHARES</b>                       |        |        |        |        |        |        |        |        |        |        |        |
| Shares (Lakhs)                                | 325.85 | 325.85 | 325.85 | 325.85 | 325.85 | 325.85 | 325.85 | 325.85 | 325.85 | 325.85 | 325.85 |

\*Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. Hence these numbers are not comparable with previous years.

Exhibit 1: Ten-year financial highlight of Gillette India Limited

**Source:** Gillette India Limited. *Gillette India Limited Annual Report 2021-22*. Gillette India Limited, 2022.



Exhibit 2: Strategies of Gillette India Limited

**Source:** Gillette India Limited. *Gillette India Limited Annual Report 2021-22*. Gillette India Limited, 2022.

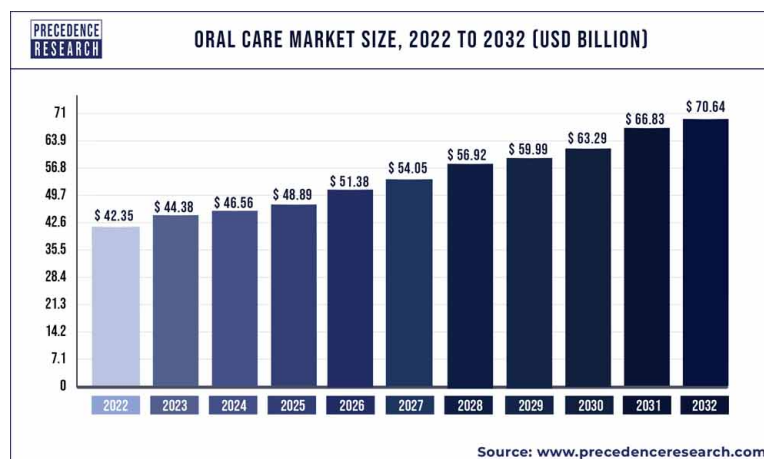


Exhibit 3: Forecasting of oral care market.

**Source:** Precedence Research. *Oral Care Market (By Product Type: Toothbrush, Toothpaste, Mouthwash, Dental Floss, Denture Care; By Age Group: Kids, Adults, Geriatric; By Sales Channel: Hypermarkets/Supermarkets, Specialty Stores, Drug Stores & Pharmacies, Convenience Stores, Online Sales Channel) - Global Industry Analysis, Size, Share, Growth, Trends, Regional Outlook, and Forecast 2023 - 2032*. Precedence Research, 2023.

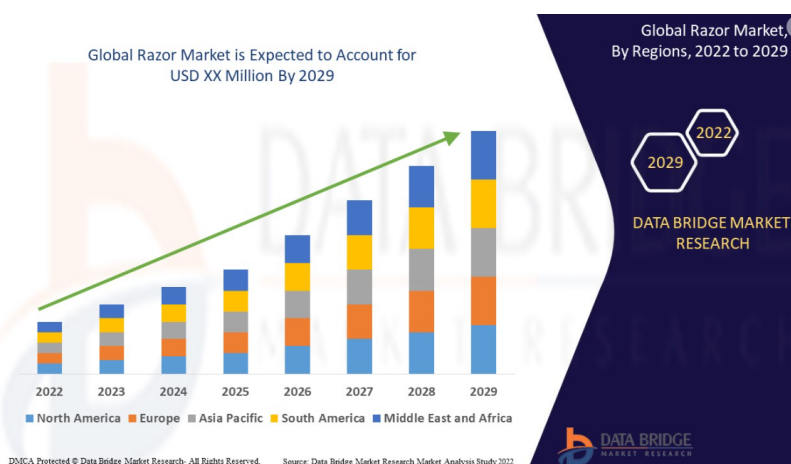


Exhibit 4: Forecasting of global razor market.

**Source:** Data Bridge Market Research. *Global Razor Market - Industry Trends and Forecast to 2029*. Data Bridge Market Research, 2021.



Exhibit 5: Forecasted Growth of sustainable personal care market size.

**Source:** Kbv Research. *Global Sustainable Personal Care Market Size, Share & Industry Trends Analysis Report By Nature (Organic and Natural & Green), By Sales Channel, By Type (Skin Care, Hair Care, Oral Care, Hygiene Products), By Regional Outlook and Forecast, 2022 - 2028*. Kbv Research, 2022.

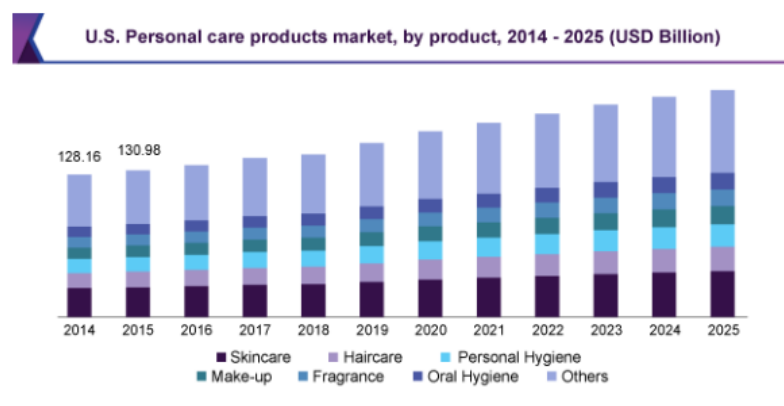


Exhibit 6: Forecasted Growth of personal care market size.

**Source:** Grand View Research. *U.S. Personal Care Products Market Size, Share & Trends Analysis Report By Product (Skincare, Haircare, Personal Hygiene, Make-up, Fragrances, Oral Hygiene), Competitive Landscape, And Segment Forecasts, 2018 - 2025*. Grand View Research, 2016.