

The cream of the cup

From sociology to pet food to people food, Danone Russia's group brand manager in charge of yogurts has seen his career come a long way.

By Yulia Molodtsova
The Leader

Dmitry Ephimov, Danone Russia group brand manager in charge of yogurts, graduated from Russian and American universities and worked in the baby- and pet-food industries in Russia and abroad.

The Leader: When did you start working for Danone Russia?

Dmitry Ephimov: My choice of Danone was connected with my return to Russia in 2002 after a long period of working in the United States. Danone Russia offered me a good professional-development opportunity in my home country, and I took this position in September 2002.

LD: What kind of education did you receive?

DE: I started my studies at the sociology department of Moscow State University. During the third year of studies, I went on a student exchange program to the University of Pittsburgh and received my BA and, later, MBA there. I was a little bit disappointed by the quality of the BA but, on the contrary, overwhelmed by the content of the MBA degree. I think there were too many extra unnecessary subjects and not enough concentration on the BA level, whereas on the MBA level there was almost no time for a private life.

So, I took the marketing road in the United States but, upon my return to Russia, I took an external degree in Moscow State University in order to complete my education here. It was also a positive feeling to be a graduate of both American and Russian universities.

By the way, I think it is amazing how the level and type of education in Russia corresponds with the jobs people do. For example, a lot of foreign-language- and linguistics-department-graduates entered managers' positions when Western companies started to appear on the Russian market and made brilliant careers. They were simply much better-prepared to communicate with Western businessmen than people who had been economics or any other majors in college. We also have a lot of people with a U.S. education who work, for example, as delivery-truck drivers. It would be very unusual in the United States, and, I think, it is a Russian phenomenon.

LD: What kind of work did you do before coming to Danone?

DE: I have worked in several large companies both in Russia and the United States. I worked for the U.S. office of Procter & Gamble at the beginning of my career. When I first came back to Russia, I was invited to Heinz-Russia, and I started as a baby-food assistant brand manager there. At Heinz's Moscow office, I worked for two and a half years. There was an extremely interest-

ing period in my career when I was in charge of the pet-food division there. Heinz hadn't introduced its pet food into Russia or elsewhere in Europe before, so we had to start from scratch and face all the challenges and procedures connected with entering a totally new, but already very competitive, market. It was an experiment, and it felt like a one-of-a-kind "Wild West experience." After that job, I had enough stories to write a book! I truly enjoyed such work.

LD: What was the result of the experiment?

DE: Our cat food brand 9 Lives took one of the leading positions in the Russian pet-food market. Unfortunately, after the 1998 crisis, Heinz had to cut this program, and now it is represented in Russia, mostly by baby food and ketchup.

Then, in January 1999, I was transferred to Heinz's North American headquarters, where I continued to work in the pet-food division — but it was a totally different experience. It was not about new beginnings, but about making the already-great business even better. The pet-food market in the United States is a developed and well-established one. I managed pet-treats brands, which are more emotional than rational products. I was astounded to find out that the cat treats market alone exceeded \$100 million a year in the United States. It is extremely interesting for a marketing manager to promote this kind of product, as it is actually based on the idea of helping to build a relationship bridge between pets and humans. There is not too much of a rational reason to give dogs and especially cats special snacks. I worked there for two years and then returned to Procter & Gamble.

LD: Why did you decide to return to the place where your career was launched?

DE: It was an interesting combination of circumstances. Procter & Gamble decided to enter the pet-food industry and bought Iams Co. Iams is one of the world's leading manufacturers of super-premium and premium pet food, and, prior to the acquisition, it was privately owned by a family. Some of the employees weren't ready to work for a huge corporate giant instead of a family company and left Iams. Procter & Gamble started to fill in the work places with its people and enlist the services of outside specialists. Procter & Gamble doesn't usually favor so-called "turncoats," but I had the advantages of being an expert in the pet-food industry and of having worked for Procter & Gamble before. Having considered this opportunity, I realized that I had already received perfect entrepreneurial experience; however, I lacked some classical marketing experience and discipline, which could be obtained in a company such as Procter & Gamble. That's how I

made the decision, and I don't regret it a bit, as I received maybe even more than I had expected.

LD: What are your everyday duties at Danone?

DE: There's a bunch of them. I manage the yogurt-marketing group at Danone, which embraces several yogurt brands such as Activia, Actimel and Danone Yogurt. I need to ensure that my brands are growing healthily and strongly. I coordinate advertising, promotion and new product development activities. Managing a portfolio of major brands instead of a single one is an extremely interesting and highly challenging experience for me. It takes a much broader strategic long-term view instead of looking at short-term tactical issues. One of my other main responsibilities is managing people. When I first joined Danone, I was amazed by the high professional and intellectual level of our marketing staff. My role here is to assist in the better professional development of my team and to make sure that all of them get along well.

LD: What training and development opportunities are offered to Danone employees?

DE: First, when a person joins Danone, he or she goes through an induction process, which means that he or she visits all our departments, learns everything about the history and specifics of our products, goes to one of our two factories and to the warehouse, travels with our trade agent to shops and learns in detail about how Danone functions in Russia. This is the first stage of acquaintance with the company.

Then, depending on the department, different programs are offered for junior employees. For example, every year several junior brand managers go for training in France where they go through Danone's corporate-training program. This program is conducted in two or three rounds. There are similar programs available for brand managers. Our commercial department has extensive continuous training programs. We have several people in the company whose jobs are totally committed to the employees' training and development. Obviously, the higher the position you have, the less a standard program can be offered. Top managers usually have to think over their own professional-development plans. We also participate in various team-building exercises.

LD: Do you consider yourself to be a leader?

DE: The word "leadership" is really popular in the United States. I think it even has been abused there because everything a person does in the corporate environment must be about "leadership" (presentation leadership, communication leadership, team-building leadership, etc.). At one point I even had a



Dmitry Ephimov is Danone's yogurt man in Russia.

dispute with one HR manager about the leadership-assessment practice. At Procter & Gamble, they assess the employees' work regularly and in order for my assistant brand manager to receive the highest grade she had to demonstrate both a great personal leadership qualities and a great teamwork ability. So, basically a person should lead and follow equally well at the same time. I think it's hard to combine these qualities at an excellent level and it is not necessary at all. Moreover, I don't want everyone in my team to be a great leader because my team will be a mess!

LD: What does Dmitry Ephimov do in his spare time?

DE: First of all comes my family! I have two little children. My wife and I have decided to teach them two languages and two cultures, as our family is bilingual. I try to constantly keep in touch with my extended family and a wide network of friends; I'm happy to say that I have many true ones. Collecting foreign and Soviet coins is my oldest hobby. I love music and art. Another passion is traveling both in Russia and abroad. Before our children were born, a large part of our family's budget was spent on traveling.

LD: What is one of your company's activities about which you are proud?

DE: I'm proud of our social programs and particularly of our support of amateur kids' sports. It's easy to support the world's champions, but in today's Russian reality, those boys and girls who are enthusiastic about sports at the level of their backyard and school district got forgotten.

I'm also very proud of Danone's way of working with Russian farmers. The company doesn't just try to buy the milk at the cheapest possible price. Danone invests financially and in terms of technology in its partners and helps farmers to improve the quality of their milk. The company sets very high standards of milk quality and pays more for higher-quality milk. This gives the farmers a great motivation and practical tools with which to improve. ■

Dressing

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example, that not all their offices are air-conditioned, and that clothes here often cost more than in the West. But employees are expected to follow all the rules during important meetings.

"We don't have a dress code as such," said Grigory Lukovitsky, head of the organizational culture department at Russian Aluminum. "Employees dress in office style. Before beginning work, new employees attend an orientation program where we explain in detail what we think office style means and how we want our employees to look. If new employees turn out to have some misconceptions [about] our office style, we politely help them work out the best solution."

Russian IT companies have very relaxed rules compared with Western companies, especially when it comes to the creative specialists. Computer company ABBYY, for example, lets its programmers come to work wearing whatever they please.

"Program developers shouldn't be distracted from the creative process. Clothing should be comfortable, and there are no other demands on it," said Anastasia Savina, information, advertising and PR department head at ABBYY. "But the marketing department can't allow itself such a luxury, as meetings with clients and partners dictate certain rules."

Many Russian IT employees, however, don't take up the opportunity to work in casual clothes. "Looking respectable right from the morning gets you in a more serious mood for work," said one employee with an IT company who always wears a business suit to work even though her job does not involve meetings with clients. "Of course, you get hot wearing a suit in summer, but if you wear shorts and a t-shirt, you end up wanting to be lazing on the beach rather than sitting at work."