



Zooth integration story

The Situation

As part of their initiative to expand their business, Gillette Oral Care embarked on two acquisitions in 2004. This was the first time the Oral Care business employed this strategy for growth. One of the acquisitions was Zooth, a maker of kid's licensed toothbrushes and toothpaste. Oral-B has a line of children's brushes called Stages, which is aimed at mothers who wanted the best oral health care for their children. Zooth is designed to appeal to the kids themselves, using colorful and current licenses to motivate kids to brush by making it "healthy fun." By combining the two businesses, Gillette would have access to Zooth's expertise in managing licenses, their speed to market, and their unique sculpted designs that give their brushes "toy-like appeal."

Zooth and Gillette had been competitors up to this point. The two companies had traded the #1 spot for kids' oral care over the years. By buying Zooth, Gillette would bring their chief competitor in the kids' business into the Oral-B fold. Oral-B Stages had Disney as their single licensing partner globally. Zooth had a strong portfolio of diverse licenses, including Bratz, Barbie, Hot Wheels, My Little Pony, Hello Kitty and others.

Gillette's strategy was to leave Zooth to operate as an independent "licensing boutique," rather than combine the organizations. Gillette felt that by maintaining Zooth as a separate entity, they would reap the benefits of Zooth's licensing expertise and speed to market. Some functions, such as the value chain (order processing, warehousing, distribution, accounts receivable) would be combined.

GLG's Involvement

GLG has been a valued partner in Gillette's Oral Care business for several years. We have coached senior executives, including the President, consulted and advised on strategy, facilitated meetings and trained key managers and leaders in various techniques for producing outstanding results. When Gillette embarked on this acquisition, they asked GLG to assist them in making it successful. As Gillette wanted to keep the two businesses separate, GLG's role was to advise on aligning the two businesses for maximum impact.

When Gillette was bought by P&G, a separate series of integration issues arose, resulting in the complete integration of Zooth into P&G, the offices in Texas being closed, and a number of the founders not having on-going roles in the larger organization. GLG was able to coach, consult and facilitate the Zooth staff through these changes as well.

What GLG Provided

- Coaching and guidance for a smooth transition during the integration phase, particularly for the Integration Manager, the Gillette business unit leader, and other key leaders.
- A cultural evaluation for both parties, to indicate areas of similarity and difference, allowing the companies to build on the similarities and be aware of the differences.
- Facilitation and design support for key meetings, including the Integration Steering Team meeting, to ensure objectives are met.
- Direction and “hands-on” support for organizational communication efforts.
- Identification of synergies between the two acquisition efforts to ensure they were leveraged.
- A neutral “bridge” between Gillette and Zooth employees, to ensure all concerns are heard by both sides, and are addressed in the most effective manner possible. This ensures the best possible relationship is created between all parties involved so that ongoing business is not negatively affected by what took place during acquisition and integration.
- Coaching, consulting and guidance for the integration of Zooth into P&G to ensure that talent was retained, the base business was maintained, and the Zooth staff was clear about expectations and roles.

Key Accomplishments

Following the cultural evaluation and a few initial meetings, GLG established an “on-site consultant” who visited Zooth for two to three days each month. He coached the executives and members of the staff, facilitated team meetings, helped identify what was missing, and registered what was being accomplished.

With his assistance, the following results were produced.

Core Management Team:

- Through a series of facilitated conversations, tensions arising from miscommunications during the acquisition process were resolved. This included, for example, issues of reward and compensation being completed in a very positive way, which allowed the participants to re-engage and focus on building the business.
- With the decision to integrate Zooth into P&G, several of the core management team, including some of the founders of the company, discovered that they did not have roles in the larger organization. GLG was able to coach and advise them to ensure a smooth transition both for the organizations involved as well as the individuals.
- Roles and responsibilities, which were not clear before the acquisition by Gillette, became clarified, working relationships were impacted positively, and expectations were resolved.

- The Director of Product Development, who was relatively new when the company was bought by Gillette, went from being very angry about the way the sale was handled and ready to leave, to managing 220 new projects (over 96 the previous year and 80 the year before that) and was offered a role at P&G.

Other Areas Impacting Integration:

- A breakdown at the warehouse was identified and resolved. Low morale was being caused at the warehouse by two factors:
 1. The people working there became aware that the warehousing functions would be combined with Gillette's value chain, resulting in them being out of a job. The warehouse staff did not have the experience of being appreciated by management for what they had accomplished.
 2. This was compounded by a new IT system with numerous glitches that caused them to no longer be able to do the quality job they had been doing over several years (results tracking verifies their concern).
- The GLG consultant visited the warehouse and allowed the group to express their complaints constructively. This included identifying the actions that would need to be taken to address their concerns, by whom and when. The warehouse staff promised to keep working until the last day, continuing to do the quality job they had become known for, and leaving with the same pride they had while they were responsible for the operations.

Business Results:

- Zooth's manual toothbrushes once again gained #1 share in the US
- Distribution was expanded into 46 additional markets, and achieved share results close to US numbers in 3 international markets.
- Share in battery powered brushes doubled in the last quarter of 2005
- Overall revenues doubled 2005 over 2004.