



# THE POWER OF ONE IN FMCG

Designing Integrated Operating Models for  
Scale, Agility, and Growth



Across the FMCG sector, regional and international expansion is no longer an exception reserved for global multinationals. For Egyptian FMCG companies in particular—operating under sustained cost pressure, currency volatility, and intense domestic competition—expansion into the GCC, broader Middle East, or selected international markets has increasingly become a strategic necessity. Similar dynamics are now shaping the ambitions of GCC-based FMCG players seeking scale beyond their home markets.

As FMCG companies move beyond export-led growth into multi-country operations, they encounter a step-change in organizational and operational complexity, demanding a deliberate rethink of operating models, governance frameworks, and decision-rights architecture.

The "Power of One" operating model refers to an enterprise-wide approach that enables large multinational FMCG groups to operate as one integrated organization rather than a set of loosely aligned local or regional units. It is rooted in the strategic integration of governance, processes, platforms, and planning mechanisms so that core capabilities are unified at the global level and deployed across geographies in a coordinated manner.

## I. The Governance Imperative in Regional FMCG Expansion

### a. The Power of One Operating Model

FMCG firms operate in high-pressure environments defined by **rapid product turnover, intense competition, and low margins**, where small operational inefficiencies can quickly erode profitability. As companies expand across markets, complexity increases further due to diverse **regulatory regimes, consumer behaviors, supply chains, and decision-making structures**, making effective governance critical to sustaining performance.

A Power of One operating model addresses this complexity by anchoring **strategy, investment decisions**, and core processes within a **single, coordinated framework**. This ensures consistency in brand positioning, resource allocation, and performance measurement across markets, while allowing local execution flexibility. **Standardized processes, shared digital platforms**, and coordinated support functions enhance **cost transparency, reduce duplication, and direct resources toward value-creating activities** such as innovation, market expansion, and digital commerce.

Finally, integrated operating models support **holistic planning and execution mechanisms** that align forecasting, supply chain management, marketing investment, and product launches across regions. By connecting planning cycles across functions and geographies, FMCG groups reduce fragmentation in decision-making and improve responsiveness to consumer trends, retailer requirements, and competitive dynamics.



## b. Governance as the Backbone of Multi-Country FMCG Operations

Corporate governance is the **framework of systems, principles, and processes** by which a company is directed and controlled. It establishes how strategic decisions are made, how performance is monitored, and how accountability is enforced across an organization. This framework becomes especially critical for companies operating across multiple jurisdictions because they must manage diverse regulatory environments, stakeholder expectations, and market conditions while maintaining strategic coherence. Strong governance practices correlate with **improved operational discipline, better stakeholder confidence, and stronger performance outcomes**.

When FMCG companies operate in regional markets, governance must adapt to manage **multiple layers of complexity** that do not exist within single-market operations:

### 1. Brand and Market Execution Complexity

Operating across multiple countries introduces **complex brand positioning and market execution**, as consumer preferences, channel structures, and retailer expectations differ even across proximate markets. Multi-market operations often suffer from misalignment between **local growth objectives** (e.g., sales growth, channel penetration) and **central strategic priorities** (e.g., brand consistency, margin target, capital allocation).

Firms must **balance global brand coherence with local responsiveness** to prevent diluted brand equity or inconsistent consumer experiences. This balance is fundamentally a governance challenge, requiring clear delineation between centralized and locally delegated decisions.

### 2. Supply Chain Coordination Across Markets

Regional expansion significantly increases supply chain complexity, as products may be manufactured in one country, distributed through regional hubs, and sold across multiple markets—exposing the company to variability in **logistics costs, lead times, customs delays, and service levels**. Weakly governed cross-border supply chains face higher operational risks and limited resilience to disruptions. Integrating standardized compliance protocols, real-time visibility tools, and defined escalation mechanisms, strengthens supply chain integrity, coordination and performance across distributed networks.

### 3. Financial Reporting and Performance Accountability

In multi-country FMCG operations, **financial governance** is another critical dimension, due to differing statutory requirements, currency fluctuations, tax regimes, and reporting standards. Firms operating without standardized frameworks often struggle to compare performance metrics across markets, limiting leadership's ability to allocate capital efficiently or assess market health. Integrating financial governance and establishing centralized oversight improve **transparency, comparability, and strategic clarity** across subsidiaries, enabling better value capture and more informed corporate decision making. Moreover, embedded risk-monitoring mechanisms help firms anticipate and manage exposure to exchange-rate volatility and macroeconomic shocks, especially in rapidly changing environments such as MENA markets.



#### 4. Regulatory Compliance Across Borders

As FMCG companies expand across national boundaries, they face increasingly diverse regulatory requirements related to **product safety, labeling standards, import documentation, and quality assurance**. Managing these requirements in isolated systems heightens the risk of incomplete documentation, customs misclassification, and procedural errors, often resulting in border delays and compliance violations, which directly affect product flow and costs. Governance mechanisms that embed regulatory requirements into operational decision systems through **clear oversight, compliance checks, and escalation paths**, improve consistency, reduce risk, and help avoid legal or operational penalties that can derail expansion.

#### 5. Decision Rights and Accountability Frameworks

At the core of regional FMCG expansion lies the challenge of clearly defining **decision rights and accountability** across corporate and local market functions. Ambiguity in decision ownership leads to **slower decision-making, execution gaps, and strategic misalignment**. Firms that explicitly codify decision rights across strategy, commercial execution, and operations achieve better coordination, faster response to market changes, and stronger alignment with group objectives. These functions are typically formalized through corporate policies, governance charters, committee structures, and escalation procedures that reinforce clarity and accountability across borders.

## II.

### Designing Operating Models Post-Expansion Central vs. Local Decision Authority

Once an FMCG company moves beyond basic export strategies and commits to operating in multiple markets, the defining organizational question becomes:

**Which decisions should be taken at the corporate center, and which ones should be delegated to country or regional teams?**

A Power of One operating model in FMCG does not imply rigid centralization or uniform execution in every market. Operating models in multinational companies typically **balance centralized governance** (unified decision making, standardization, and strategic consistency) with **localized responsiveness** (market-specific adaptation, agility, and frontline execution). In practice, this means global priorities (e.g., brand strategy, supply chain standards, and data platforms) are set centrally, while regional and country teams retain autonomy to customize product offerings, marketing activations, and distribution tactics that resonate locally.

## Centralized Governance vs Localized Responsiveness

**Centralized governance** refers to directing key decisions, policies, and oversight from the corporate center to preserve consistency, scale, and efficiency across markets. For multi-geography FMCG companies, the corporate center acts as a **strategic orchestrator**—aligning strategy, governance, and priorities to ensure coherence, unified decision-making, and minimal duplication, which is critical in a sector where scale and brand consistency drive performance. Centralized strategic planning also **keeps investment and innovation aligned with enterprise goals**, balancing global brand consistency with local execution needs.

**Localized responsiveness**, on the other hand, means giving country or regional teams the **authority and autonomy** to make key decisions that directly impact execution in their own markets.

This autonomy is particularly valuable in FMCG because **consumer preferences, retail structures, pricing dynamics, and competitive environments vary widely** from one country to another. Local responsiveness therefore allows FMCG firms to **respond quickly to market signals, optimize execution, and sustain relevance** among consumers.

Centralized Governance	Dimension	Local Responsiveness
Ensure enterprise-wide consistency, scale, and strategic alignment	<b>Primary Objective</b>	Enable rapid, market-specific execution and consumer relevance
Corporate center or unified regional headquarters	<b>Decision Making</b>	Country or regional market teams
Acts as the strategic orchestrator, aligning strategy, governance, and priorities across markets	<b>Strategic Role</b>	Acts as the execution engine, translating strategy into locally optimized actions
Long-term strategy, portfolio priorities, major investments, brand architecture, and enterprise policies	<b>Scope of Decisions</b>	Commercial execution, marketing activations, pricing, channel focus, and customer engagement
Defines global brand architecture, positioning, and guardrails to preserve brand equity	<b>Brand Management</b>	Adapts messaging, promotions, and formats to local cultural and market nuances
Consolidated reporting, financial controls, capital allocation, and performance comparability	<b>Financial Governance</b>	Local budget execution, pricing tactics, and market-level profitability optimization

Centralized Governance	Dimension	Local Responsiveness
Enterprise-wide risk management, regulatory compliance frameworks	<b>Risk &amp; Compliance</b>	Market-level compliance execution and regulatory adaptation
Standardized KPIs, group-wide scorecards, and benchmarking across markets	<b>Performance Management</b>	Market-specific targets linked to local growth, penetration, and execution metrics
Strategic planning, standardization, and cross-market coordination	<b>Supply Chain &amp; Operations</b>	Day-to-day operational decisions responding to local demand
Consistency, scale efficiencies, cost transparency, and strategic coherence	<b>Key Strengths</b>	Speed, flexibility, consumer proximity, and competitive responsiveness
Slower response to local market shifts; reduced frontline agility	<b>Risks if Overweighted</b>	Brand fragmentation, misalignment with group strategy, and inefficiencies

## The Balance

### Defining Clear Decision Rights



A central governance model alone can lead to bureaucracy and slow responsiveness, while unfettered local autonomy can fragment strategy and weaken brand coherence. Explicitly **defining and documenting decision rights** strikes a balance between central control where it matters most and local freedom where it drives performance:

**Strategic and brand equity decisions** held at the corporate or regional center to ensure alignment with long-term vision.

**Operational decisions**, including tactical pricing, channel engagement, and localized campaigns made at country or local market levels, empowering teams closest to customers.

This framework provides **clarity, reduces internal friction, accelerates decision cycles, and strengthens accountability across geographies**, distinguishing leading FMCG operators in multinational contexts from those that struggle with cross-market execution.

### III. Case in Point

## Regional & Global FMCG Players

As FMCG companies scale beyond their home markets, corporate governance increasingly shifts from a formal obligation into a **structural capability that determines how effectively the organization can absorb complexity**. This is particularly visible among regional FMCG players whose growth trajectories have required them to formalize governance frameworks to support multi-country operations, regulatory exposure, and diversified portfolios. These governance structures are important for regional operations and credibility because they ensure **transparency and accountability** for domestic and international investors, formalize **internal controls and audit processes** needed as subsidiary operations grow and underpin **confidence in corporate decision making** in markets where foreign partners and regulators expect compliance discipline.



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### Agthia Group - Structural Governance Supporting Regional Growth

Agthia is a UAE-based FMCG group with operations across the UAE, Saudi Arabia, Egypt, and wider MENA markets. As the company expanded regionally, it developed a **group structure** to support multi-market operations through consistent oversight, accountability, and risk management across subsidiaries. Agthia’s long-term **Strategy 2025** is defined at the corporate level (Group Headquarters in Abu Dhabi) and guides the group’s regional growth and investment roadmap. This strategy is structured around three pillars—**growth, efficiency, and capability**—and is designed to extend market leadership across the Middle East, North Africa and Pakistan (MENAP) region and beyond. It explicitly calls for:

<p><b>Centralized Financial Oversight</b></p>	<p>The appointment of a <b>Group Chief Financial Officer</b> responsible for financial discipline, transformation, and performance excellence.</p>
<p><b>Shared Systems &amp; Processes</b></p>	<p><b>Digitalizing performance management and streamlining operations</b> to support consistent execution across markets.</p>
<p><b>Cross-Market Integration</b></p>	<p><b>Driving alignment across markets</b> through lean procurement practices, operational optimization, and integrated manufacturing and supply chain management.</p>



## Edita Food Industries - Governance Anchoring Regional Strategy and Expansion

Edita Food Industries is one of Egypt’s largest FMCG companies and has established **group-level frameworks** to support expansion beyond the domestic market. Edita manages oversight, audit, and control through centralized board structures and corporate functions. These group-level policies and procedures are applied across all operations, ensuring **alignment between strategy, internal controls, and regulatory compliance**. In practice, this centralized approach anchors how decision rights are exercised and enforced consistently across markets as the company expands regionally:

<p><b>Head Office as Structural Hub</b></p>	<p>Edita’s headquarters manages group-level control over key strategic areas including overall <b>business planning, distribution strategy, and expansion coordination across subsidiaries</b>.</p>
<p><b>Centralized Leadership and Functional Oversight</b></p>	<p>The presence of group-level roles such as <b>Strategy Director, Chief Supply Chain Officer, and CFO</b> (all based at the center) indicates that strategic planning, supply chain oversight, and financial control are centrally coordinated rather than being fragmented by market.</p>
<p><b>Production and Distribution Network Orchestration</b></p>	<p>Edita manages its seven manufacturing facilities and Moroccan facility under centralized standards and production planning. Its expansive distribution platform with 26 distribution centers covering all Egyptian governorates is coordinated from the corporate center, reflecting a <b>centralized operational backbone</b> tied to global supply planning and logistics strategies. The company also ensures supply chain synchronization, by closely coordinating planning, purchasing and logistics.</p>
<p><b>Subsidiary Ownership Structure</b></p>	<p>Edita’s major subsidiaries, such as <b>Digma Trading, ACTIS, and Edita Confectionary</b>, are majority-owned by the parent company, which facilitates <b>centralized control over distribution, investments, and market execution frameworks</b>.</p>



## IKEA - Centralized Supply Chain Planning as an Enabler of Global Scale

In a longitudinal case study, researchers analyzed IKEA’s shift from fragmented, regionally independent planning toward a **centralized global supply chain planning system** that brings supplier networks, distribution centers, and stores under coordinated planning and execution frameworks.

IKEA historically faced challenges due to inconsistent planning processes across regions, which led to issues like stockouts, excess inventory and planning inefficiencies. To address these challenges, the company developed and implemented a **new global planning concept**, moving toward a **centralized organizational structure that consolidates planning across the entire supply chain landscape**—from suppliers through distribution hubs to retail stores—ensuring coherence in demand forecasting, inventory allocation, and logistics synchronization.

## IV. Governance and Structural Principles for FMCG Expansion

### Operationalizing the Power of One

For FMCG companies that want to expand or are actively operating across multiple geographies, the challenge is not only whether to centralize, but **what to centralize, how far to go, and how to govern it** without undermining local agility. LOGIC approach to this challenge is grounded in a structured methodology that translates strategy into an executable **Power of One** operating model.

Rather than applying a one-size-fits-all centralization blueprint, LOGIC works with FMCG clients to design a **fit-for-purpose Group Center**—one that aligns with strategic ambition, business unit realities, and the nature of value creation across the organization.

#### Aligning Centralization to Strategic Priorities

Effective governance and structural design begin by **anchoring them in the company’s explicit strategic objectives**. Centralization should be positioned as a strategic enabler, directly linked to clearly articulated goals such as international expansion, category leadership, operational excellence, or digital transformation.

**In practice, this requires translating strategic ambitions into clear implications for the role of the Group Center** and addressing a fundamental question: to what extent should the organization operate as a unified group versus a portfolio of autonomous business units.

#### Designing the Group Center

The next step is to define what the “Power of One” means within the organization’s specific context. **This is achieved by positioning the organization along a spectrum of centralization models**, ranging from highly decentralized portfolio structures to fully integrated operator models.

Rather than prescribing a single model, the approach focuses on identifying the most appropriate role for the center—whether as a portfolio manager, integrator, or operator—based on business unit similarities, geographic dispersion, and the degree of synergy potential across markets. **This framing enables leadership to make informed trade-offs between efficiency and agility**, a tension that is particularly pronounced in FMCG organizations operating across diverse consumer and regulatory environments.

## Assessing What Belongs at the Center Through Evidence-Based Centralization

A critical differentiator in LOGIC’s approach is the use of a **structured centralization assessment** to determine which activities should be centralized, coordinated, or remain local. Each function and activity across the FMCG value chain is evaluated against a consistent set of criteria, including:

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| <ul style="list-style-type: none"> <li>• Ability to enable strategic objectives</li> <li>• Potential to leverage economies of scale</li> <li>• Scope for process standardization</li> </ul> | <ul style="list-style-type: none"> <li>• Value of corporate-level oversight and support</li> <li>• Importance of knowledge sharing</li> <li>• Degree of geographic dependency</li> </ul> |
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Activities are then scored and plotted along a centralization spectrum, allowing leadership to **visually and analytically distinguish** between activities that should sit at Group level and those that must remain embedded within business units. This methodology is applied across core FMCG functions, including procurement, supply chain, operations, R&D, marketing, sales, finance, HR, IT, strategy.

## Codifying Governance by Defining Operating Models, Authority Matrices, and Ways of Working

Once centralization decisions are made, governance is formally documented through:

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| <ul style="list-style-type: none"> <li>• <b>Group operating models</b> that define the mandate of centralized functions</li> <li>• <b>Authority matrices</b> that codify decision rights between the center and business units</li> <li>• <b>Clear charters</b> outlining objectives, accountabilities, and performance expectations</li> </ul> |
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A key element of this step is defining **how the center operates**: a hands-on capacity with execution authority, or a hands-off role focused on strategy, policy, oversight, and performance monitoring. This distinction is critical in FMCG organizations, where over-centralization can slow execution, while under-centralization can erode scale benefits and strategic coherence.

## Embedding Governance Across Functions and Geographies

The implementation approach ensures that governance is not confined to organizational charts, but embedded into day-to-day management practices. For FMCG organizations, this includes:

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| <ul style="list-style-type: none"> <li>• <b>Centralizing strategic and non-geographically bound activities</b></li> <li>• <b>Retaining local execution</b> for activities requiring proximity to factories, customers, or regulators</li> <li>• <b>Enabling consolidation of reporting, analytics, and performance dashboards</b> to support Group-level decision making</li> </ul> |
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This balance enables FMCG companies to act as a unified group at the strategic level, while maintaining strong local responsiveness in operations—capturing the essence of the “Power of One” philosophy.



Regional and international expansion represents a defining inflection point for FMCG companies. While it unlocks new growth opportunities, it also introduces structural complexity that, if left unmanaged, can quickly erode the value expansion is intended to create. FMCG companies that scale successfully treat **governance** and **operating model design** as strategic priorities. They codify decision rights, align performance metrics across geographies, strengthen cross-market risk and compliance oversight, and foster accountability that balances central direction with local ownership. In doing so, they create clarity in environments where ambiguity would otherwise slow decision-making, fragment execution, and weaken control.

The experiences of regional players such as **Edita** and **Agthia** demonstrate that robust governance is not exclusive to global multinationals, it is equally critical and increasingly achievable for regional FMCG companies entering their next growth phase. Well-designed governance frameworks provide the infrastructure to centralize execution without losing strategic alignment, and to scale operations without sacrificing discipline.

Companies that address this early through fit-for-purpose operating models and governance structures, are far better positioned to translate geographic expansion into sustained competitive advantage.



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