



WHEN CORE VALUES ARE STRATEGIC

HOW THE BASIC VALUES OF
PROCTER & GAMBLE
TRANSFORMED LEADERSHIP AT
FORTUNE 500 COMPANIES

RICK TOCQUIGNY WITH ANDY BUTCHER

AND THE **P&G Alumni**
NETWORK

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How the Basic Values of
Procter & Gamble Transformed
Leadership at Fortune 500 Companies

Rick Tocquigny
with Andy Butcher

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Foreword

I served at Procter & Gamble (P&G) from 1977 to 2010—more than half my life. One of the great benefits of my tenure was being immersed in, and surrounded by, the core values and purpose of a nearly 174-year-old company. P&G’s purpose focuses *externally* and *strategically* on consumers’ needs and wants...and on brands, products, and innovation to improve consumers’ lives. The values are important because they guide our behavior with *all* stakeholders...and each other.

R.R. Deupree, who led the company through the 1930s’ depression and through World War II, used to say that if you leave P&G’s money, its buildings, and its brands but take away its people, the business will be in real jeopardy. But if you take away the money, the buildings, and the brands, but *leave the people*, it will rebuild a comparable new business in as little as a decade. Mr. Deupree knew what he was talking about, because that’s what P&G people—led by purpose and guided by values—have essentially done throughout their history. As a rule, each generation of P&G people has, in fact, built the equivalent of a new business the size of the previous, existing business in about a decade.

Our sales today are roughly double what they were 10 years ago, and those sales are roughly double those of the decade prior. P&G business portfolios have outperformed the market during up and down cycles alike, and we’re one of only 10 companies that have remained on Fortune’s top 50 American-based companies since the ranking began in 1955.

P&G’s core purpose and values have served as the foundation for our success, generation after generation. They have allowed us to adapt quickly and strategically, which, in turn, has promoted consistent and sustainable growth. This is the fabric of our company. It is our culture. And it is, in part, why P&G is uniquely special—for its

core values and for the number of world-class leaders that have come through this culture, touching and improving the lives of consumers around the world and enhancing the welfare of employees and share owners.

Through the quite varied individual voices, with stories that span over five decades, you will hear how the purpose and values of P&G became a strategic point of difference for the company and other organizations these leaders went on to manage. The stories reveal the DNA of a “P&Ger”—that innate, values-driven commitment to make consumers’ lives a little bit better...every day.

You will read the intriguing story of Bryce Harlow, P&G’s legendary head of Government Relations, and how he influenced Presidents Eisenhower, Kennedy, Johnson, Nixon, Ford, Reagan, and Carter. You will learn about P&G’s initiatives, such as “Live, Learn, and Thrive,” that represent P&G’s core values at work. You will hear from colleagues and friends like Charlotte Otto, who, during the 2000s, helped me restore the confidence of P&G people by reinvigorating our values and strategically leveraging P&G’s purpose.

There are many inspiring stories that illustrate former Chairman and CEO Ed Artz’s observation...how amazing it was to think of all the different people who have worked for P&G, all so different, yet who have perpetuated a common standard of excellence across businesses of all kinds, across continents, across cultures, across decades. With P&G as the thread, you explore how core values can promote clarity of thought, in both professional and personal settings. It is a relevant, timely, and insightful message for students, small business owners, community leaders, corporations, and their leadership.

The stories in this book celebrate the gift we were all given—core values that *really work*. And they show how robust focus on core values adds great enterprise value *and* value to your personal life. Core values at work can bring out more engagement, more fulfillment, better work-life balance, and long-term business and financial success for your organizations, yourself, and the communities in which you live

and work. May you be inspired to embrace your own core values and have the courage to live by them. They will serve you well over a long and successful journey.

—A.G. Lafley

Acknowledgments

To have released a book on core values at this point in time seems, on reflection, to have been fortuitous. Companies across the world are searching for their own values and cherishing leadership that steps up with a belief system that employees and shareholders can trust and build upon.

To Rick Tocquigny and Andy Butcher, your thought construction, interviewing, and writing of this book will ultimately help our Alumni Network achieve its mission to give back to the communities in which we live and work.

To the more than thirty contributors, we are grateful for your special voice and stories that made this book truly unique. Your chapters represent the thousands of dedicated employees who make core values a part of their daily lives.

Tim Moore, who is Vice President and Publisher of FT Press, provided access to the resources of Pearson, the world's largest publisher. Michael Vaccaro, Director of Pearson's Business Development, provided an energetic, can-do attitude behind this project. Both supported *When Core Values Are Strategic* along every step of the way.

Russ Hall, our Development Editor, brought our content into an enjoyable book that will inspire the next generation of leaders. His exact messaging brought clarity and flow to our stories.

Our thanks also extend to Project Editors, Samantha Sinkhorn and Jovana Shirley, and to Chuti Prasertsith, who designed the cover for the book.

We are also grateful for the administrative team at www.artbeatofamerica.com, *The Transformed Traveler*, and the Life Lessons Radio network led by Carla Tocquigny, for their countless hours devoted to interviewing and logging stories. Carla is Rick's best friend, partner, and wife, and she serves to continually remind him

that the best experiences in life are those that truly transform you. We also extend our special thanks to Marcie Butcher, for keeping all the pieces together, Heidi Ippolito for her hard work in transcribing all the interviews, Julie Tazzia for her unique contribution, Troy Johnson, and Jonathan Clements of Wheelhouse Lit for his insightful guidance.

This book was not written in a few months but over the lifetime of the individuals featured in *When Core Values Are Strategic*. We have been fortunate to have journeyed with such outstanding people and are forever indebted to the hundreds of thousands of P&G alumni who lived out these core values. We hope that the representative voices will inspire companies, communities, organizations, and individuals to rise to new levels of leadership with core values as their cornerstone.

—The P&G Alumni Network

About the Authors

Rick Tocquigny is a nationally known author, speaker, radio-podcast talk show host, T.V. co-host of *The Transformed Traveler*, and CEO of Artbeat of America, publisher of the *Life Lessons* book series, *The Transformed Traveler*, and Gracefully Yours greeting cards. He serves as the Chair of the P&G Alumni Network Publishing and Speakers Bureau. His Life Lessons network has been instrumental in changing the pattern of communication within companies and communities. Rick and his wife Carla live in Lafayette, Colorado. Their two daughters, Heather and Jennifer, are both in the entertainment industry and residing in Southern California. Learn more at www.artbeatofamerica.com, www.pgalumnispeakers.com, or email lifelessonsradio@gmail.com.

Andy Butcher is an award-winning journalist and author. A former newspaper reporter and Media Director for an international non-profit, he currently edits a national trade publication.

Preface

Procter & Gamble (P&G) has long been recognized as one of the leading companies in the world. Its record of success in building brands and developing talent is unmatched. Over the years, many people who began at P&G have gone on to outstanding careers in other endeavors, taking with them the values, training, skills, and experiences gained at the company to run some of the largest organizations in the world.

The P&G Alumni Network includes more than 25,000 of these talented individuals around the world. The network is dedicated to sharing the talents and experiences of these professionals to benefit companies, nonprofits, governments, and individuals everywhere. This book is just one example of projects developed to share their perspectives. Moreover, every dollar of the P&G Alumni Network's share of book proceeds will go to our philanthropic foundation serving people around the world.

We hope you will enjoy the insights found in this book and that they will be valuable to you.

—Edward C. Tazzia
Chairman of the Board
P&G Alumni Network

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Core Values Can Be Strategic

Open a newspaper, turn on the television news, or flip through any number of Internet sites, and it won't take you long to find the stories of individuals, families, communities, and whole companies that have lost their way in the frantic chaos of existing and doing business these days. From the shifty ethics of giant energy companies to the shaky doings of a few media companies, some people just don't seem to be anchored in values. Worse, companies that think they should make it often don't. What went wrong? More than likely, they have gotten turned around on their path toward success because the principles for the way they did business weren't driven by their core values.

What are core values? They are the tenets by which a company, community, or family operates. A value might be focusing on the benefit to consumer—in the quality, function, and safety of products. It might be having a clear vision, valuing teamwork, or seeking to change lives for the better. A core value could certainly be striving to do the right thing.

Values differ from company to company, but at Procter & Gamble (P&G), core values help create organizational form in their own unique context. Former CEO Ed Harness once said, "Though our greatest asset is our people, it is the consistency of principle and policy that gives us direction." With that in mind, P&G makes core values strategic by finding and hiring outstanding men and women of the highest character, treating each employee as an individual who has his or her own unique talents and life goals, and providing for each employee a working environment that encourages, recognizes,

and rewards individual and team achievements. As an employee, your ideas are welcomed...from day one. New employees learn about the heritage and history of their company. They hear about honesty, fairness, tradition, and integrity. Not only do they see character in action, but they begin to live out responsibility, dedicating themselves to constant improvement, being uncompromising, planning for long-term growth, making the hard decisions, and practicing disciplined and consistent thinking while having a vision to change lives.

These values become strategic when a company considers every decision based on what matters most: how to hire and keep top-quality people, how to react when a product threatens to harm consumers, and how to train and nurture employees for top performance. Those who continue to accomplish great things once they leave the company reflect on P&G's reputation as one of the finest training grounds in corporate America and the world, which doesn't hurt P&G's future recruitment.

As you read on, you will explore the stories of individuals who experienced an uncommon sculpturing of their leadership skills and strategies through core values that the 175-year-old Procter & Gamble Company instilled within them. Their stories represent the experiences of thousands of employees who were part of a company that is genuinely concerned not only with results, but with how results are achieved. Today, these leaders are changing lives by applying core values they learned within Fortune 500 companies and leading nonprofit organizations. The greater message—one that can have a huge impact on your own life or on the success of your family, community, or company—will come in recognizing how unchanging core values can become a strategic force in creating and perpetuating your long-term success.