Values-Based Leadership

Bob McDonald
Retired Chairman of the Board, President and Chief Executive Officer
The Procter & Gamble Company
It is important for each individual, each organization, to get in touch with their education, experiences, culture, family heritage, and organizational memberships to develop their own set of beliefs.
Living a life driven by **purpose** is more meaningful and rewarding than meandering through life without direction.
Life of Purpose
Improving Lives
P&G’s Purpose

We will provide branded products and services of superior quality and value that improve the lives of the world’s consumers, now and for generations to come.

As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper.
P&G’s Values

P&G is its people and the values by which we live.

P&G Values
- Integrity
- Leadership
- Ownership
- Passion for Winning
- Trust

P&G Brands

P&G People

P&G Brands and P&G People are the foundation of P&G’s success. P&G People bring the values to life as we focus on improving the lives of the world’s consumers.
Companies must do well to do good and must do good to do well

Positive and Virtuous Cycle
Purpose and Values
Must Be Pervasive

Always video
Always Africa
Insert and set to run automatically
P&G’s Purpose and Values
Pervasive In All We Do

CGI video
Clinton 2010
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Everyone wants to succeed, and success is contagious.
Putting people in the right jobs is one of the most important jobs of the leader.
Character is the most important trait of a leader

Put the needs of the organization above your own
Take personal responsibility for organization results
“Choose the harder right instead of the easier wrong”

From West Point Cadet Prayer
Diverse groups of people are more innovative than homogeneous groups.
Diversity Sparks
Ideas and Innovation

“Things almost never turn out as expected…”

“Change almost always comes as a surprise because things don’t happen in straight lines. Connections are made by accident.”

James Burke, Science Historian and Author/Producer of Connections
The Golden Rule: Treat others as you would want to be treated

The Platinum Rule: Treat others as they want to be treated
Ineffective strategies, systems, and culture are bigger barriers to achievement than the talents of people.
High Performance Organization Model

- Sound Strategies
- Robust Systems
- High-Performing Culture
- Passionate Leadership

Technical Competence
Purpose, Values & Principles
There will be some people in the organization who will not make it on the journey.
Organizations must renew themselves

- Recruiting and training are top priorities
- What differentiates those who succeed from those who don't?
## Leading Change

<table>
<thead>
<tr>
<th></th>
<th>P&amp;G in 1980</th>
<th>P&amp;G Today</th>
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<tbody>
<tr>
<td><strong>Annual Sales</strong></td>
<td>$10 Billion</td>
<td>$84.2 Billion</td>
</tr>
<tr>
<td><strong>% Sales Outside U.S.</strong></td>
<td>32%</td>
<td>64%</td>
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<tr>
<td><strong>Billion-Dollar Brands</strong></td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td><strong>Stat cases/plant (mmsu)</strong></td>
<td>7.7</td>
<td>26.2</td>
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<tr>
<td><strong>Employees</strong></td>
<td>61,200</td>
<td>~121,000</td>
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<tr>
<td><strong>Split-Adjusted Stock Price</strong></td>
<td>$2.32</td>
<td>~$78.00</td>
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The true test of a leader is the performance of the organization when he or she is absent or after he or she departs.
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