

Inspired and Enlightened Leadership

An Interview with

Douglas R. Conant, Founder & CEO, ConantLeadership

EDITORS' NOTE *Deeply committed to leadership, Douglas Conant serves as Chairman of Avon Products as well as Chairman of the Kellogg Executive Leadership Institute (KELI) at Northwestern University. From 2001 to 2011, Conant served as CEO and President of the Campbell Soup Company. Conant earned his B.A. degree from Northwestern University and his M.B.A. from the J.L. Kellogg School of Management at Northwestern. Before becoming CEO of Campbell Soup, Conant worked for three of the world's leading food companies. He began in marketing at General Mills, held leadership positions in marketing and strategy at Kraft, and served as President of the Nabisco Foods Company. He is the co-author with Mette Norgaard of the New York Times bestseller TouchPoints: Creating Powerful Leadership Connections in the Smallest of Moments. He is a featured blogger on leadership issues at Harvard Business Review online and also writes extensively about leadership on the ConantLeadership Blog and as an Influencer on LinkedIn. Conant also tweets actively about leadership and employee engagement at @DougConant.*



Douglas R. Conant

COMPANY BRIEF *In 2011, Douglas Conant founded ConantLeadership (conantleadership.com), a growing community of people dedicated to improving the quality of leadership in the 21st century.*

How do you define sustainable value creation?

It's about the challenges for a company to build an enduring business proposition that lives in harmony with societal expectations.

The clear call to action here is for companies to increasingly drive their agendas to be more in harmony with societal expectations, which are obviously evolving as well, and that requires inspired and enlightened leadership.

When Paul Newman founded CECP, he believed the corporate sector could be a force for good in society and he challenged all of us to do a better job.

Are boards adequately inspired to encourage their CEOs and executive teams to address important societal matters? Does the short-term earnings drive make that difficult?

It's challenging, but it is also manageable. Put another way, if it was easy, it would've been done already. The world is messy, but inspired leadership

can come from a board; it can come from a CEO; it can come from the employees themselves – you have to be open to all possibilities. The notion is that you have to be driving toward being a greater force for good in society. Frankly, I don't care where it comes from; what I care about is that it comes.

It's fair to expect leadership in any organization to lead the way. But whether it's a board, a CEO, or executive team doesn't matter. I have seen situations where the CEO has been the driver; I have seen instances where boards have

been out in front.

At Avon, where I'm Chairman now, we have a legacy of being a force for women's economic empowerment, which is well aligned with societal expectation and that is a legacy that the employees have worked hard to maintain, and that both the board and CEO have continued to champion.

Is the message that there is no shame in doing well by doing good?

Yes. My observation is that most corporate leaders, contrary to how they're portrayed in the media, are all in. They're not only CEOs, but parents, grandparents, children of parents who care, and members of their communities – they care well beyond corporate profits. Bottom line, in most quarters, there are a caring group of leaders who are trying to be good stewards of this bigger idea.

The other observation is that the benefits far outweigh the nominal costs. Companies are continually finding ways to leverage their skills, assets, and capabilities to be a force for good in their communities. This leads to new levels of financial support and strong, sponsored encouragement of greater employee engagement in community activity. This, in turn, is leading to greater employee engagement in the agenda of those respective companies. In my opinion, this employee engagement benefit far outweighs the cost.

In fact, I would argue that it is a greater risk if companies don't pursue this engagement agenda intelligently. Employees want to give back to their communities in a powerful way. The companies that facilitate this "give back" desire will prosper in terms of attracting, developing, and retaining world-class talent in today's world. Besides, it's just the right thing to do.

Can you put metrics around sustainable value creation?

Intuitively, I believe that the benefits outweigh the costs. However, I also believe you can't manage it if you can't measure it. So I believe you must endeavor to create metrics for performance in this area. However, unless there is a particular high-cost initiative, I don't think you should become obsessed with the metric.

Much of the process is just changing the mindset in the corporate world to believe you can help build a better world and build a better company at the same time. The landscape is filled with examples of companies doing well and doing good.

That said, we can and must do better. We must improve our metrics in this area and I believe we will. The corporate world is generally focused on continuous improvement – it's not only driven by breakthrough; 90 percent of all value creation is grinding it out and companies are finding ways to do that in terms of financial performance and social impact.

Do you believe that today's business leaders have the proper mindset?

I believe today's leaders need to work harder at their leadership craft. Creating a superior leadership profile demands learning and enlightened hard work. The leaders that genuinely work hard to better align their companies with societal expectations will clearly be advantaged in the 21st century. Those who don't will not.

This is a complicated world and to be able to navigate it and manage all of the stakeholders, you have to be incredibly fluid as a leader to pioneer this space.

Do you agree that if you take better care of employees, they will take better care of customers and that will bring higher returns?

I focus on employees. I find that if I thoughtfully and smartly focus on their agendas, they will represent our company with distinction with all stakeholders. Viewed another way, if I don't show respect for their agenda, it is hard for me to believe that they will show respect for our agenda with all stakeholders in an enduring way. This is not an abdication of my recognition that a leader has to be incredibly sensitive to the needs of all stakeholders. However, it is recognition that, ultimately, the performance of every leader is dependent upon the goodwill and hard work of the people that work for and with them.

To prosper going forward, today's leaders need to find a way to authentically thread this needle. ●