

The P&G Culture

Interviews with

**Colleen E. Jay, President-Global Retail Hair Care & Color;
Mary Lynn Ferguson-McHugh, Group President-Western Europe and Global Discounter & Pharmacy Channels;
and Teri L. List-Stoll, Senior Vice President and Treasurer, Procter & Gamble**

COMPANY BRIEF *Employing approximately 129,000 people working in approximately 80 countries worldwide, Procter & Gamble (www.pg.com; P&G) has one of the strongest portfolios of trusted, quality leadership brands, including Always®, Bounty®, Dawn®, Pringles®, Downy®, Iams®, Duracell®, and Braun®.*

An Interview with Colleen E. Jay

EDITORS' NOTE *Colleen Jay joined P&G in July of 1985 as Brand Assistant, Food & Household Cleaning Products, Canada. From there, she assumed various roles including Assistant Brand Manager, Brand Manager, Marketing Manager, Marketing Director, General Manager, and Vice President, and undertook the role of President of Global Female Beauty in 2010 before assuming her current post.*

Would you provide an overview of the Global Retail Hair Care & Color business for P&G?

Our Hair Care & Color business is number one globally with a portfolio of iconic brands such as Pantene, Head & Shoulders, Wella, Koleston, Clairol Nice n' Easy, Vidal Sasson, Rejoice, and Frédéric Fekkai. The business is well distributed globally in all key regions of the world; P&G Hair Care has often been a "pioneer business" in new countries.

Would you highlight the strengths of the products and services within the Global Retail Hair Care & Color business?

Our brands offer a range of product solutions, innovating to meet the needs of all consumers. We want to enable women and men around the world to have the hair they've always desired and we offer products for just about every imaginable hair need, be it for dandruff, itchy scalp or split ends, or if they want more shine or volume, or their hair is thinning. Our commitment to innovation and to delivering superior products that win with our consumers and exceed their expectations is best within the industry.

What is your growth outlook for the business? Where will growth come from?

We are focused on winning in our top 40 markets with our top 20 innovations and in the top 10 developing markets where growth prospects are highest.



Colleen E. Jay



Mary Lynn Ferguson-McHugh



Teri L. List-Stoll

For hair care specifically, our focus will be to continue to deliver winning product innovations for all major consumer hair needs, which will win with consumers in every market around the world.

How do you differentiate P&G's Global Retail Hair Care & Color business from its competitors?

We have built our hair care business by delivering superior products and breakthrough innovation, brought to life for consumers with strong marketing across our brands. We have changed the way consumers care for their hair with innovations like the first 2-in-1 shampoos and conditioners or superior dandruff performance with Head & Shoulders. We continue to remain in touch with consumer needs and trends to fuel our innovation and we're even more creative in designing outstanding marketing campaigns to reach and connect with consumers wherever they work, live, and engage with the category.

Would you highlight some of the innovations taking place in the Global Retail Hair Care & Color Business?

Innovation is our lifeblood and we have some exciting innovations launching this year. Pantene Hair Thickening Serum, recently in the U.S., thickens the hair shaft at the root, giving women fuller, thicker hair, and providing the effect of having an extra 6,500 hair strands. The product already has a loyal following among beauty editors and is now building traction with savvy consumers. Pantene's new Daily Moisture Renewal with a wonderful new Moisture Whip treatment erases the damage of blow-drying. In Brazil, Wella Pro Series has just launched a new line, which offers consumers salon inspired hair products at an affordable price.

Could you have imagined in the early days that you would spend your entire career at P&G? What has made the company so special for you?

I have been fortunate to experience a diverse range of assignments in different parts of the world during my career with P&G, from my home country of Canada to the U.S. to China and now in Switzerland. Every day is a new challenge and it is wonderful to learn about consumers across the globe.

While the business and geographies and what is required to delight consumers may vary, P&G's values and principles remain a constant. It is this combination of a variety of rich experiences, consistency of core values, and a wonderful global team of strong leaders that keeps me here. P&G is also a very inclusive company, which I appreciate as a wife and mother.

An Interview with Mary Lynn Ferguson-McHugh

EDITORS' NOTE *Prior to joining P&G, Mary Lynn Ferguson-McHugh was with Doubleday & Co. from 1981 to 1984. She joined P&G in 1986 as Brand Assistant-Assistant Brand Manager Vicks NyQuil and subsequently held positions as Brand Manager, Marketing Director, General Manager, Vice President, and President, and assumed the role of Group President, Global Family care in 2010 prior to coming to her current role.*

Would you highlight P&G's business in Western Europe and discuss its strength in the region?

P&G has been in Western Europe since 1937, when the company made its first overseas acquisition in the United Kingdom. We now have a deeply rooted presence in the region with on-the-ground operations in almost every country. This means we can develop deep connections with diverse consumers and build highly collaborative relationships with local retail partners. Western Europe is also home to eight of our global innovation centers where we create ideas and develop prototypes for new products for around the world. In recent years, our innovation centers in Europe have helped the company deliver significant innovation to the global market place, including product launches in diverse technology areas like

compact laundry detergents, Gillette's Fusion Razor, Fairy's Action Pack automatic washing tablets, and the Olay products range.

What specific countries offer the greatest opportunities for growth in WE?

We see growth opportunities in many of our markets in Western Europe. We have expanded our business vertically to new consumer segments including value-conscious shoppers; with new categories like air fresheners, automatic dish detergents, and laundry additives; and to new channels, including pharmacy, discounters, and e-commerce.

How has the economic downturn and financial crisis in parts of Western Europe impacted P&G's business?

These are tough economic times and for many young families, this is their first real recession. The categories we compete in are weekly purchase and daily-use categories that consumers around the world depend on to improve their lives and the lives of their families. People still need to wash their hair, change baby diapers, and care for their homes and clothing – and they still want to look and feel their best every day. Brands matter most when every Euro counts because consumers count on brands they trust for reliable value. Value is a combination of things – trust, performance, and price. We remain committed to making everyday life a bit easier for people who buy our products.

Would you provide an overview of the Global Discounter & Pharmacy Channels for P&G?

The discounter channel includes the food discounter retail model as well as other discount formats such as NA Dollar stores and hybrid formats where borders are blurred with convenience and supermarket formats. The continued expansion of discounters globally represents a real opportunity for P&G.

The pharmacy and drug channel also represents a significant potential for P&G. Globally, the total non-Rx market in pharmacy and drug is approximately \$200 billion. This includes independent pharmacies, drug stores, and chain pharmacies. Winning in the pharmacy and drug channel is a perfect fit with our strategies of improving the lives of consumers in more parts of the world. Our target is to grow and become the biggest multi-category player in the channel with consumer brands.

How have P&G's Global Discounter & Pharmacy Channels evolved? What are your key areas of focus for the future?

The current global economic dynamics and consumer trends create the perfect conditions for accelerated growth, both in the developed world and with an increasing rate in developing nations. The excellent shopper acceptance of discounters is grounded in a superior value equation and simplicity of the shopping environment. These same economic dynamics and consumer trends create opportunity in pharmacy and drug where consumers seek advice and strong value for their purchases. Pharmacist recommendation is the key business driver, influencing more than half of the purchases in the channel. These characteristics make both channels a terrific fit with our deep consumer/shopper understanding and leading brands.

Did you think you would spend your entire career at P&G? What makes it so special for you?

P&G has been special for three reasons: It's a global company with on-the-ground operations in over 80 countries and this size and diversity provides many opportunities to grow and develop; I am consistently impressed with the dedication and talent that P&G people have for the business and the commitment to each other; and P&G is a "promote from within" company, which puts a premium on developing talent. I can attest to the quality of coaching and guidance that I received throughout my career. It's the reason I am still with P&G after more than 26 years.

An Interview with Teri L. List-Stoll

EDITORS' NOTE *Teri List-Stoll was an employee of Deloitte & Touche and the Financial Accounting Standards Board before coming to P&G as an Associate Director in Corporate Accounting in 1994. Since then, her roles have included Vice President – Finance, Global Operations; Vice President – Finance, Global Household Care; and Senior Vice President & Treasurer.*

How do you define the role of Treasurer today and how has it evolved?

The Treasurer role at P&G is somewhat unique in both the breadth of the role and the fact that it is a developmental role versus a destination role. A key component of the responsibilities include traditional capital markets and risk management, which encompasses liquidity and cash management, capital structure, foreign exchange, insurance, and pensions. My role also encompasses responsibilities for Investor Relations and Global Business Development, with traditional acquisitions and divestitures, as well as licensing and Connect + Develop, P&G's approach to open innovation aimed to leverage external Research & Development capability.

How closely do you work with the other business units within P&G and how critical is collaboration?

One of the most interesting yet challenging aspects of the role is the need to have a good understanding of the company's entire business. For an \$85-billion global business with operations in about 75 countries, reaching consumers in more than 180 countries where our brands are sold can be quite challenging. Whether we are evaluating acquisition opportunities or responding to investor questions or managing the flow of cash around the globe, having a reasonable knowledge of both recent business results and future business plans is critical. Obviously, given our size, having strong relationships with the business leaders across the company is the way to ensure we can get the information we need and respond appropriately. Despite P&G's size and breadth of business, its people are very collaborative and accessible.

P&G is a consistent leader in so many product categories. What makes the company and its brands so special?

One of the things that makes the company so special is its brands. We have built 25 billion-dollar brands that each generate from \$1 billion to \$10 billion a year in sales. These are iconic brands that are household names around the globe: Tide, Pampers, Olay, Gillette, Pantene, Head & Shoulders, Crest, Oral-B, and more. There is no portfolio of brands in any company today that compares to ours. In our categories, we have three times more billion-dollar brands than our closest competitor and more than most of our other competitors combined.

The other thing that makes the company so special is its people. We have incredibly talented people all across the organization – in every business, in every country, in every function, and at every level. Those people have strong loyalty to the company and to their colleagues across the globe. We invest in people, empowering them to leverage the brands in our portfolio and the resources a company of our size can command to do truly great things for our consumers, our customers, and our shareholders.

How critical is diversity and inclusion to the culture of P&G?

Making the business case for needing an employee base that reflects the consumers we serve is fairly straightforward, but engaging that diversity in a way that creates competitive advantage and value for shareholders requires a supportive culture of inclusion and empowerment. P&G is committed to creating this environment and offering the support, structure, and training that enables everyone to succeed. Fostering diversity is a critical responsibility for our company leaders.

P&G is a leader in corporate responsibility and community engagement. How engaged are your employees in this regard?

P&G serves an important role in the communities in which we operate. We provide financial support to these communities, through P&G's business operations and philanthropic support. We also encourage our employees to "give back" to their communities in ways that are meaningful to them. We provide the flexibility for individuals to serve local organizations in leadership roles and we encourage team building efforts to support the specific activities of causes that are important to the community and to our employees.

You joined P&G in 1994 and have worked in a number of different capacities within the company. How has this experience helped you in your role as Treasurer?

As Treasurer, I need to be able to anticipate issues across many businesses and geographies. The experiences I have had in various businesses and organizations provide the foundation for the right degree of knowledge and intuition to take appropriate action. I value having had a great combination of both traditional line and function experiences, but some of the less traditional roles – the ones that represented uncharted territory – often provided the best learning experiences. While the Treasurer role may be viewed as more technical in nature, at P&G, the ability to do the role well requires a sound base of business experience, technical mastery, and a strong leadership profile that includes effective communication skills. ●