

Even the greatest careers are ruled by the natural arc of all things. In the beginning, we learn, listen, observe. In the long middle, we labor, apply, evolve, charge forward, and take calculated risks. And at the end, we rest at last and take time to reflect. We consider the goodness of what we have accomplished, the battles won, the victories large and small, and the losses that stung but improved us. The very best of us also understand that the end of a career is nothing more than a new beginning.

A.G. Lafley knows all of this well. Born in 1947 in New Hampshire and raised in Schenectady, New York, Lafley grew up middle-class to involved, demanding parents. His father served in the Air Force in WWII, later becoming a GE union negotiator and human resources manager. His mother was an activist with the League of Women Voters. Driven and directed by them, the young Lafley began to reveal his acumen for leadership and business early on, growing a simple paper route into a mini paper-delivering potentate, quickly requiring him to enlist and employ his sisters as his collections agents. A graduate of Hamilton College, in Clinton, New York, Lafley took to heart the determination and pluck of the school's namesake, Alexander Hamilton, later joined the Navy, traveled the world, began learning languages, and ultimately earned a Harvard MBA in 1977. Starting as a salesman and marketer at Procter & Gamble (P&G), Lafley devoted himself to the company's line of consumer staples and sundries, including Joy, Oil of Olay, and Crest. The team leader behind the launch of category champion liquid Tide, by the year 1994, Lafley found himself at the helm of the Asia branch of the same company where he began. Under his watch, P&G China grew from \$90 million to \$1 billion in annual revenues in just five years. Lafley eventually returned home to Cincinnati to head P&G North America. From 2000 to 2010, and again from 2013 to 2016, Lafley served as CEO and chairman, directing one of the largest and most well-known companies in the world, with more than 100,000 employees and products in virtually every American home. He retired as one of the most successful CEOs in the company's history.

Lafley, an author of a number of business leadership books, including *Playing to Win: How Strategy Really Works*, now calls Sarasota home, following in his father's footsteps. (The elder Lafley retired to Glenridge on Palmer Ranch.) After a brief period of rest and reflection, he has again picked up the mantle put on him by his parents to do good works, this time in the nonprofit sector. The affable and steady Lafley recently made time to speak with *Requisite* about what he brings to the nonprofit sector and his passion for his chosen projects, most notably what will one day become Sarasota's crown jewel: the development of the priceless 42-acre, city-owned parcel of land well-known here as the Bayfront. In late 2016, he joined the Sarasota Bayfront Planning Organization and was elected chairperson.

This interview has been edited for clarity.

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Let's start with the project that is on many people's minds in this region, the development of the city's Bayfront. What attracted you to become involved in the Sarasota Bayfront Planning Organization?

Lafley

In 2016, the grassroots-led Bayfront 20:20 planning organization managed to convince the city commission to move forward with a planning board to oversee the creation of a master plan for Sarasota's Bayfront. A facilitation team recruited eight citizen volunteers.

In a weak moment, I 'volunteered.' (Laughs.) The Bayfront is an incredibly interesting project because it is truly community-initiated. We've plugged away for the past two years, raising awareness of the opportunity, and with help from Sasaki, a design and planning firm in Boston, we have been designing and planning against the community's overall aspiration and guiding principles. Along with Bayfront 20:20, we succeeded in getting the city commission to support the vision. In total now, we've gathered Bayfront 20:20 stakeholders, the neighborhoods, arts, cultural, and education groups, and a diverse group of community members to join the growing coalition. And then we all realized that this broad coalition is great for awareness-building and engagement, but if we're going to get to the next step, we're going to actually need to do some world-class design planning.



A.G. Lafley

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Aside from all your global business experience, what skill sets in particular do you bring to this initiative?

Lafley

Three things. I got involved in similar urban design and planning efforts in China, after a major earthquake. Again in Kobe, Japan, after its major earthquake. Also, in Cincinnati—where P&G is headquartered—for eight years I served as chairperson of the Cincinnati Center City Development Corporation, which was in a much tougher starting position than Sarasota in terms of what needed to be done; so I have had some practical hands-on experience with this kind of work. In Cincinnati, we learned how to govern large, civic initiatives like these, with a 501(c)(3) not-for-profit board of qualified citizen volunteers. And we learned how to fund large, complex projects from public and private, including not-for-profit, resources. We helped raise and invest more than \$1.1 billion in the development of downtown areas. We began by working with the city to raise \$48.9 million to turn Cincinnati's Fountain Square into the downtown's premier public space. More than two million people now visit it annually. All through my career at P&G, I did nonprofit work. In Cincinnati, I was also involved in the symphony, the playhouse, the fine arts fund, and United Way.



How has progress been on the Bayfront?

Lafley

It's an extraordinary opportunity. All the land is owned by one entity, the city, which presents a special opportunity. There's real community interest and engagement. We've reached 38,000 members of the community at one time or another through meetings and surveys. We have a disciplined process with Sasaki, a world-class urban designer and planner. We've hired an experienced managing director, Bill Waddill, from Kimley-Horn here in Sarasota. With the city and with the community, our next step is a workshop and then a recommendation to the city, which will include an overall conceptual master plan (with a more detailed plan for the first phase), as well as recommendations on how to govern this entity and how to fund the project from a capital and operating standpoint.



You bring a different perspective to the nonprofit arena, with so much branding experience and the innovative ideas you applied to competition in the private sector. What other nonprofit work are you involved with currently?

Lafley

My wife Diana and I have a family foundation that we manage ourselves. It was beginning to fund while we were still working, but it wasn't fully established in the state of Florida until the year before last, after I retired. We don't accept solicitations. Except for a little accounting and legal help, my wife, one of our advisors, and I make all the decisions. Everything we have done so far has been anonymous. We don't do lunches, we don't do dinners, we don't do galas. We're not adding impact if money's going out to that sort of thing.



Not doing galas is very different from the nonprofit culture we see in Sarasota's society pages.

Lafley

That's all fine. But that's not what we want to be. You'll never see our picture in the paper. Regardless, Sarasota has unlimited possibilities. Real community and social welfare needs. Education. Health care. Healthy recreation. A long list of opportunities for not-for-profit involvement. The Sarasota nonprofit community is a talented, caring community with significant resources to make an impact.



What was the culture like at P&G in terms of supporting nonprofits?

Lafley

Our attitude was very simple. There's a business reason to be involved. Everyone is a consumer of one or more P&G brands or products. And if you don't invest in the community in which you live and work, it won't improve, and it won't be as desirable a community for you to live in, work in, raise your family in. We viewed it as a symbiotic relationship. You give back and you receive in return.

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You are approached all the time for help. What makes for a good nonprofit pitch?

Lafley

Clarity and priority of goals and purpose. Where, specifically, are we going to focus and make a difference? How are we going to make a difference? That's it. I like nonprofits that stay single-mindedly focused. I think one of the risks for nonprofits is that they get all these grant requests and all of a sudden their impact is diluted. They are giving \$1,000 here and \$5,000 there and \$10,000 somewhere else, and so you ask: how much of a difference can you really make? Focus for more impact. Strive to make every dollar deliver more than a dollar's worth of value. There are a whole bunch of ways to do that, like funding experimental programs in causes we believe in so the organizations can learn.

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How do you choose among all board requests that come across your desk?

Lafley

(Laughs). I don't do much board work—nonprofit or for-profit. I don't like board work. On the for-profit side, I'm on the board of Snapchat and Tulco, which is a private equity company. Both are relatively small companies, under a billion dollars in sales. I'm attracted to smaller ventures where you can make a difference and make an impact. I chose those that truly interest me, where I feel I can contribute the most, like the Bayfront. Part of my interest in smaller projects is a reaction to my time at P&G. When I joined P&G, it was doing \$5 billion annually in business. But the company I left was getting close to \$80 billion annually. It grew so much bigger and became more complex and global. I spent eight years in Asia. I loved it. I lived in Kobe and Tokyo. Our original Japanese partner was a small company in Osaka. Our biggest success in developing markets was China.

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Was it hard to break into China? Considering our current climate of tariffs and trade wars, did you face that when you first tried to enter China? Was it a 'walled city'?

Lafley

Yes and no. China was opened to foreign companies in 1988. To enter, you had to form a JV with a Chinese partner. And you knew the local Chinese companies were going to be tough competitors. There are world-class competitors in China now. By 2000, P&G achieved more than a billion dollars in sales. Japan grew fast in the 70s and 80s, but China has grown very fast for the past 30 years.

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To return to nonprofits, what advice would you give to another CEO soon to retire and looking to give back?

Lafley

Don't really retire. (Laughs.) Stay involved. Follow your interests and your passions. Care about the projects you take on. One of the great things about this chapter is not that you head to the golf course or go out on the boat every day. You have choices, and you should choose what you want to do. What you have interest in trying to do where you believe you can make a difference. You're not certain what will be a good fit. So you experiment and try different areas of interest

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Something you have talked about when you were running P&G was looking outward, looking at the consumer, and not getting focused inward on the company. Does that also translate to the nonprofit sector?

Lafley

I definitely think it does. Nonprofits, in some ways, can make things more complex than they need to be. Whatever kind of not-for-profit you have, whether it's arts and culture, health and social welfare, education, I think you really need to ask, 'Who am I serving and how am I going to serve them differently or better?' The next question is, 'What are my funding sources?' The third question is, 'Who is my network of partners and stakeholders?' And you really want to recruit and staff for fit and passion. Not-for-profit managers and executives have to believe in the cause. You just can't have people who don't believe in the cause. But they have to be capable and competent to do the work. You have to search and find them. The team is very important.

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For a branding guy, how important is branding in the nonprofit sector?

Lafley

Here's my simple view about branding in any field. If you cut through everything, a brand is a promise. It's a promise of a product or service, benefit or an experience.

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A promise like the name of P&G's blockbuster dish soap, Joy?

Lafley

Right. In nonprofits, if it's social welfare, the nonprofit brand name is a promise to improve someone's life in some meaningful way. If it's arts and culture, the promise is an entertainment experience. If health care, the organization is going to help improve your or some segment of the population's health. The Marie Selby Botanical Gardens has come to stand for something in this community, even though Selby is simply a family name. The Van Wezel has come to stand for great, quality entertainment. The Ringling, for great art. Those brands became brands over time, driven by the experience they provided day in and day out, not by the brand name alone. Mote Marine Laboratory & Aquarium started out as a research effort and became an aquarium, and now does both. You want a brand that's unique, that's different, that stands out. You want a brand that promises something and delivers. The worst thing you can have is a promise that you don't keep. That's a disaster.

And increasingly you have brands that have story components and they have experience and relationship components.

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Are you seeing donor-advised funds as a positive trend in the nonprofit sector?

Lafley

Donor-advised funds have advantages for philanthropists. You don't pay any taxes on the capital gains once in the fund. You don't pay any estate taxes on the money that's donated. And your investment appreciates tax-free. For a relatively modest management fee, they provide essential services. For a lot of people, it's a good alternative to a family foundation and other vehicles for charitable giving. We are involved with two donor-advised funds. In our case, they are complementary because they do different things. I think it's a convenient, easy, incentivized way for people to exercise their philanthropic inclinations or responsibilities, depending on how they view them. We feel like we've been very fortunate in life, and we intend to give away much of our good fortune. That's our choice.

WP

You have often spoken about the need for luck. Why is luck in business so important to you?

Lafley

I don't believe in four-leaf clovers. But I do believe in the ability to spot an opportunity a little bit sooner, to see around the corner ahead. In those ways, you can make your own luck. Business is risk-taking. At P&G, I tried to shorten the odds. Whenever we would enter a new market, a new category or country, there was uncertainty and there was risk. And, in some cases, strong competitors in the market place. But we always wanted to shorten the odds and minimize mistakes. If you're going to be in distribution, you better be in distribution. When we were in distribution, I wanted to see everything. I wanted to see when our awareness hit a certain level; I tracked trial rates. The biggest indicator in the consumer products business is how many consumers are trying your brand and products, and is that trial rate increasing? You have to realize when you're lucky in life. I would have never been the chief executive of P&G in the normal course of things. I was a couple of assignments behind where I probably needed to be. I'm relatively certain that the board considered at least four candidates. Why did they pull my name out of the hat? Who knows? They were taking a risk, and I was lucky.

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Thank you so much! Any last advice in the private or nonprofit sectors?

Lafley

Any success, at least in my case, has always involved a team, and in many cases a large and very diverse team. Everybody playing their position, doing their job, working closely together: that generally results in a reasonably good outcome.