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MARKETPLACE FEATURE

In Switch, Procter & Gamble Reaches Out to Alumni Stars

 By SARAH ELLISON
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CINCINNATI -- For anyone who ever worked at **Procter & Gamble Co.**, the Trombone Regal No. 3 paper clip has special meaning. Square-shaped with two curled center prongs, the "owl clip" is considered by the company to be better at holding big stacks of paper than a regular paper clip. Everyone at P&G is expected to use owl clips, and few who leave the company ever use them again -- most companies don't bother to spend money on such minutiae.

But P&G does things in its own way. "There is no detail too small," says Bob Viney, a former P&G employee and chairman of the company's alumni board.

Owl clips were among the touchstones that triggered howls of knowing laughter from nearly 500 of the company's former employees who gathered here this past weekend for a reunion. P&G was a training ground for a bevy of CEO's, such as **General Electric Co.**'s Jeffrey Immelt, **Microsoft Corp.**'s Steve Ballmer, **eBay Inc.**'s Meg Whitman and **3M Co.**'s W. James McNerney.

While three reunions not sanctioned by P&G had been held before in Chicago, this year, for the first time, the event was held here on the company's turf and with its blessing. The company now sees its distinguished alumni as an untapped public-relations opportunity to aid in recruitment. The company's involvement also advances CEO A.G. Lafley's desire to turn this once-insular corporate culture into something more outward-looking.



Steve Case

The list of P&G's alumni includes current and retired chiefs of such companies as Polaroid Corp. and **Liz Claiborne Inc.**, plus retired chiefs of LensCrafters, **PepsiCo Inc.**'s Quaker Oats division, **General Motors Corp.** and **Johnson & Johnson**. Many of them turned out for the event, along with many more less-famous ex-employees, each paying \$300.

Like any reunion, the event has its own pecking order, as hierarchical as it was in the corridors of high school. "The two groups who come here are the guys who are really successful and the guys who are out of work," said Dave Hardie, managing director at Herbert Mines Associates, a headhunting firm in New York. Departing **AOL Time Warner** Chairman Steve Case, who attended Friday's dinner with his wife, was one of the few who fell into both camps.

Employed or not, alums reminisced about old intramural softball games, with teams like the Toilet

Goodies and the Soapsters, named after the product divisions. They recalled practical jokes, like putting Crest on the telephone earpiece and making mock commercials about other P&G products such as Pepto Bismol.

They rolled their eyes at memories of the company's famous one-page memos, which required any idea or proposal to fit onto one side of one piece of paper. "What made memos so painful was all the niggling," said Robert Herbold, a former operating chief at Microsoft who started at P&G in the 1960's.

"Niggle" is P&G's verb for editing a memo. Memos could go through a dozen or more "niggles," before they made their way up P&G's hierarchy, "through the layers of wisdom," as Mr. Herbold ironically called it. Such phrases, along with words like "thinko" and "priorize," and "impactful," make up the odd vocabulary shared by the illustrious alums of the company.

A "thinko," explained Debra Campbell, a P&G alum and now a consultant, is a typo, but without the implication that harmless sloppiness is involved. "Any mistake meant you weren't thinking or concentrating enough on your work," she said. The company uses so many acronyms, "you need a glossary to understand the lingo," said Mr. Lafley, the chief executive. P&G provides one to board members to help them get through meetings.

A comic strip circulated by some alums at the reunion showed a P&G employee, fed up with his job, writing his boss a memo in the famously rigid format the company encouraged: Memos begin with "This," must be brief, and are always niggled to death. The spoof was "This quits." The boss sent the memo back, marked with red ink corrections: "This is to quit," it read.

Many ex-P&Gers refer to a trip to Cincinnati as a trip to the "Marines," both for the rigor of P&G's training and the loyalty the company engenders. P&G recruits young graduates out of college or business school, and gives them rigorous on-the-job training. Once there, colleagues stick together. "For my first two years I was either at work with other people from Procter or in Mt. Adams, drinking with other people from Procter," said Rob Malcom, a former P&G manager, now president of marketing and sales at Diageo PLC. Scores of former colleagues marry each other. Those who don't are often godparents to each other's children.



Meg Whitman

While it's no longer so common, neighborhoods used to align along company function. "If you lived in a suburb called Wyoming, your neighbors would most likely be P&G manufacturing people," said John Thomas, a retired consultant who worked at P&G in the 1950's and 1960's.

For all the good-natured ribbing P&G's ex-employees give their former employer, the company's stamp on their psyche is clear. **Intuit** Inc.'s Scott Cook, who joined P&G's board after making an impassioned speech about P&G at the last reunion in 2000, said the company is the training ground where many executives have learned their most important lessons, even if some feel their only way to succeed was to leave. "Intuit wouldn't exist without what I learned at P&G," said Mr. Cook, who met his wife there.

P&G chief executives used to worry that socializing with executives who had left the firm (and subsequently got big raises) might stimulate disloyalty and cause employees to quit. Even today, P&G executives say they don't want the company viewed as a "finishing school" for recent

graduates. But now, Mr. Lafley says he wants half of the company's new innovations to come from external sources. He has already stepped up the company's acquisition run, clinching a \$5 billion deal to buy Clairol only months after he became chief executive, and recently acquiring a controlling stake in German hair care maker Wella AG. At a cocktail party Friday night, Mr. Lafley reminded the crowd that even Ivory soap, which many believe was invented at P&G, was actually purchased from a small inventor who couldn't figure out a way to commercialize the product.

Although Mr. Lafley is credited with engineering a turnaround at P&G, he has also overseen some of the biggest layoffs in P&G's history. While it is no longer an employer for life, P&G still sees itself as offering a corporate culture that is relevant for a new generation of executives. Mr. Lafley sees the reunion as a chance to tap into star power. Messrs. Cook, Immelt, McNerney and Ms. Whitman, who were part of a CEO Roundtable at the reunion, were all asked to appear in a P&G recruitment video.

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