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Kathy Fish at Procter & Gamble: Navigating Industry Disruption by Disrupting from Within

In January 2019, Kathy Fish, the Chief Research, Development and Innovation Officer of Procter & Gamble (P&G), felt a mix of pride and impatience as she and Marc Pritchard, the company's Chief Brand Officer and her colleague of 30-years, sifted through the press coverage of their 2019 debut at the Consumer Electronics Show (CES). (See **Exhibit 1** for P&G's CES press kit.) It had been three years since they launched "GrowthWorks" – an initiative to bring lean innovation at scale to P&G. In spite of the company's achievements to date, including the fact that the consumer packaged goods (CPG) company was headlining one of the largest and most influential technology conferences in the world, she knew the company had to do more to accelerate growth on the core business and deliver new sources of growth.

A 40-year veteran and one of P&G's most senior leaders, Fish had seen the company through many eras but, as she noted, "today's competitive landscape has completely changed." Over the last decade, P&G's innovation efforts had failed to produce the top-line growth necessary to remain leaders in the transforming CPG industry. In a new context where products, advertising, and consumers had fundamentally changed, P&G could not simply double down on the strategy that had historically made it successful – the company needed to renew its value-proposition. Fish believed that every one of P&G's nearly 100,000 employees had a role to play in accelerating the speed and quality of innovation.

Fish, Pritchard, and the Chief Executive Officer David Taylor recognized that cultural change at the company had to be organic. To drive results, decision-making rights at P&G came with accountability. The senior management teams of the category-based business units (BUs) owned most portfolio and talent decisions. Therefore, from its inception, GrowthWorks was designed to be "business unit led, and corporately supported." (See **Exhibit 2** for P&G's BU structure as of January 2019.)

Fish certainly saw strong indications of progress. The GrowthWorks portfolio had grown to over 130 startup projects, many of which leveraged data and technology to create holistic, consumer experiences. (See **Exhibit 3** for the products featured at CES). Still, the BUs were struggling with how to invest in and assess progress for their mid- to long-term innovation programs. P&G had grown accustomed to clear and tangible short-term metrics; mid- to long-term measures did not fit within their existing financial tracking and career systems.

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While GrowthWorks had been a catalyst, Fish knew that to enable the BUs to embrace fully the new way of working that GrowthWorks inspired, she and the executive team needed to tackle these barriers in partnership with the businesses. While Fish and Pritchard had resisted “pushing” GrowthWorks upon the BUs from the start, she feared that unless company leadership changed the overall innovation performance management and reward systems, P&G would not invest in and create the value needed from mid- to long-term innovation. While the BU presidents’ annual scorecards typically focused on objective, short-term deliverables, Fish was beginning to think it was time to urge leadership to make radical changes to their systems. Perhaps the time had come to add GrowthWorks inspired innovation metrics to the presidents’ scorecards.

A Changing Competitive Context

History of Innovation at P&G

Since its founding in 1837, Cincinnati-based P&G’s commitment to scientific excellence had enabled it to produce a continuous string of blockbuster products, build enduring brands, and dominate the CPG space. As Mary Lynn Ferguson-McHugh, CEO Family Care and P&G Ventures, noted, “P&G had a very wonderful history of creating new brands and categories, and disrupting the way jobs could be done. People still mopped but used Swiffer, as opposed to an icky old rag mop. People still laundered clothes, but we gave you better ways to do it. When we got it right, we did it really, really well.”

For much of its history, the company’s scale enabled significant R&D investment, mastery of advertising, and strong partnerships with the retailers that sold its goods, like Target and Walmart. P&G developed a systematized, stage-gate method to innovate at mass-scale: the R&D group “cooked” products in the lab for many years before handing them off to the Marketing and Sales divisions. As Pritchard explained, innovation at P&G “was a sequential process and thirty years ago, that worked pretty well because we had the luxury of time.”

Many expressed that this system had begun to foster mostly incremental innovation, like “adding a new color or flavor to existing products,” rather than breakthrough innovation. Mark Glogowski, Associate Director, Innovation Capability, noted: “We were pretty good at the things that were not super novel, but the things that were truly creating new business models, we weren’t very good at, and major transformations were becoming more difficult.” Nonetheless, the trust in P&G’s promise to “improve the lives of the world’s consumers” enabled its brands to sustain competitive advantage over time.

The Flywheel Stops Turning

In the early 2000s, P&G started to recognize the need for more disruptive innovation in their portfolio. Despite many of their product categories being relatively “recession-proof,” on the eve of the 2008 recession, turbulent commodity and foreign exchange rates drove category growth within P&G to an all-time low. As Fish put it, “The flywheel stopped turning and people started doubling-down on activity and cost-savings.” She added, “When people have their heads down, they’re not being forward looking to where the consumer is going and where technology is going.” As a result, the business units were producing “more initiatives but not innovation that improved consumers’ lives by solving real problems or creating new possibilities.”

At the same time, the rise of digital platforms and technologies began to transform the CPG industry, creating new opportunities in the experiences surrounding the products. For example, P&G had long dominated the razor business by offering superior quality razors that were marketed well

and readily available in stores worldwide. Dollar Shave Club, which Unilever ultimately acquired for one billion dollars in 2016, emerged as a fierce competitor in the commoditized CPG space, but not by offering better razors. Dollar Shave Club eliminated the friction of the purchase itself through a subscription model that shipped personalized facial care regimens (pre-scrub, razors, after-shave) directly to consumers. By leveraging social media, clever marketing strategies, and bypassing retailers, Dollar Shave Club neutralized the advantages that P&G, and its long-term rivals like Unilever and Kimberly-Clark, had depended on for so long.

Fish noted, “Although only 5-6% of our business in the United States went through eCommerce, the number was 30% in China.” New functionalities enabled by the web, social media, and digital technologies not only empowered competitors to create value for consumers in new ways, they also changed the set of competitors with whom P&G had to contend. Julie Setser, VP Corporate Functions R&D, Innovation Capability and P&G Ventures, noted, “Our competitive landscape has completely changed. Ten years ago, and maybe even up to five years ago, we were looking at our big global competitors as our key competition. Today, we are growing ahead of those competitors and our big competitors are ‘all others.’” P&G now had to compete with scores of direct-to-consumer companies like Dollar Shave Club, Harry’s, Glossier, and Hers. The new startup competitors were much smaller and more agile and had well-honed capabilities in collecting and leveraging consumer data. This became an advantage in the razor space and others, as consumer expectations for personalization, speed, and frictionless purchase experiences increased.

Kathy Fish

In 2014, after a long career of R&D leadership positions across several BUs, Fish became the Chief Technology Officer of P&G—a role that was later renamed to “Chief Research, Development and Innovation Officer.” (See **Exhibit 4** for Fish’s bio.) In this role, she oversaw innovation portfolios across the BUs, as well as a corporate R&D group which housed the “leading-edge capability” to develop “transformative platform technologies”—step-change technologies with broad application inside and outside of the company. For example, she noted, “With a \$25,000 seed fund, one of our young scientists figured out how to make virgin quality recycled polypropylene at virgin price. It cleans really dirty stuff at an affordable price. The whole industry is really pulling for it.”

Fish was a business-oriented R&D leader known for her empowering approach to leadership and political savvy. Chris Boeckerman, Director of Innovation Capability, noted: “She’s a strategic master. She is introverted, some would say soft-spoken. She chooses her words very carefully. She has real conversations with people. She’s very focused on where we need to go. She pushes hard but is fair. I learned so much from her.”

Setser explained that Fish’s humility meant she often shied away from the spotlight, “She won’t be raising her hand and saying, ‘I’m the one,’ but she really is.” Molly Marburger, Innovation Communication Manager, added that “the power of her collaborative spirit” was a major enabler in her new role. For example, Fish and Pritchard decided to partner publicly and role model the multi-functional approach to innovation at the leadership level. Pritchard described, “We weren’t a connected organization before. The commercial and technical weren’t together, so Kathy and I made a commitment to change.”

Fish’s Notion of “Irresistible Superiority”

Fish recalled that at the time she assumed her new role, “We spent a lot of time on forward-looking portfolio financials and they always looked sufficient yet we weren’t consistently meeting our growth

goals...We were stuck because everybody knew we needed to do better on innovation, but we didn't have broad alignment on what was wrong."

In 2015, Fish completed an internal study of the success factors behind their billion dollar brands and discovered that these brands had produced, what she called, "irresistibly superior" products, where the overall experience was so much better than those offered by competitors that they were irresistible to consumers. (**Exhibit 5** lists the five vectors of superiority, which created an "irresistibly superior" customer experience.)

At its core, "irresistible superiority" was about forging long-term relationships with consumers and "earning the right to be bought again, again, and again," noted Christian Eihausen, the Chief Financial Officer of Global Feminine Care. Fish implored the organization to adopt "irresistible superiority" as the new standard for innovation at P&G, but this was not an easy feat: "In a world where you are not delivering and costs are really tight, that's just a hard thing to come to terms with." Therefore, in order to make "irresistible superiority" a priority and drive what would ultimately become "a big cultural change within the company," Fish needed to articulate a strong case for transformation.

Making a Case for Change

Fish worked hard to socialize "irresistible superiority" across the business: "We're trying to be very clear that it can't just be functionally superior. It has to make an emotional connection." Her challenge, in part, was that in a company as large as P&G, no initiative seemed big enough to make a difference. The change took time, but once leadership embraced the concept, "irresistible superiority" became one of the "immutable laws" of P&G's business, Pritchard noted.

It soon became clear to Fish that P&G needed to work differently to deliver on this bold ambition—the whole company needed to "innovate how we innovate." P&G had to work the technology, the business model, and the consumer angle all at the same time, like the startups who were disrupting them. As Fish and Pritchard implored the organization to evolve its siloed way of working and become more integrated and multi-functional, she noted, "All of a sudden a lightbulb went off. What we were trying to do was so consistent with lean innovation."

In July 2016, David Taylor convened his leadership team including the BU presidents for "innovation tourism" in Silicon Valley. Fish used the opportunity to introduce and learn about lean startup and the entrepreneurial ecosystem from the source.¹ As the leadership team familiarized itself with the theory of lean startup from experts like Steve Blank and Eric Ries, they realized that some of the BUs were already applying lean methodologies to their own innovation efforts. Fish noted:

Our P&G Ventures organization had been up and running for about a year and our Fabric Care organization had started doing lean innovation for about a year. Both were showing some really positive things. We were finding that a lot of the principles in our Fabric Care work could apply to our core business, so they were helping us accelerate innovation on our core business. We were learning a ton, but what we thought was fast and cheap was really still slow and expensive. We had very long, very expensive life cycles. There were much faster and cheaper ways to learn.

¹ The "lean startup" method, developed by Eric Ries (2011), refers to the use of rapid experimentation to test assumptions around a product and determine whether to pass, persevere, or pivot. Many large, established organizations seeking to enhance their innovation capabilities have adopted this hypothesis-driven approach to creating value for customers while minimizing resource expenditure. See: *The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses*.

After the “activation” in Silicon Valley, lean startup spread like “wildfire” through P&G. As Boeckerman noted, “We went to California intending to spark some interest...We wanted to create a little bit of a kindling, but then we were a bit concerned the house was on fire. We didn’t want to let it get out of control but learned you do need to give it more space than is comfortable to learn fast.” Eric Ries brought to life that innovation crosses functions. The lean innovation concepts helped to make innovation feel more inclusive within P&G, as Karen Hershenson, GrowthWorks Strategic Operating System Leader, noted: “Lean startup and entrepreneurialism provided a much more open and welcoming umbrella. Everybody could see oneself to be more entrepreneurial, more so than the term “innovation” which could be misunderstood as technical. It has helped free people. Ultimately, we want everybody to see that to be innovative is their job.”

GrowthWorks – A New Way of Problem-Solving to Meet Customer Needs

By mid-2017, GrowthWorks had generated a lot of attention and drawn several highly respected leaders to join the effort. A dedicated corporate GrowthWorks team organically emerged which, Setser noted, was “a multi-functional team of experts, super passionate about transforming the company.” Led by Fish and Pritchard, these 18 experts offered a “concierge service” for the BUs. In addition to conducting training and solving operational problems, they became the hub of all learning in the organization. The team was an invaluable resource to Fish and Pritchard, as Boeckerman remarked, “When I got this job, Kathy gave me a handwritten note to tell me how important this job was for P&G.”

As the team embraced “irresistible superiority,” John Brase, Vice President of Family Care, remarked that it was not an easy shift to make: “Historically, we always started with, ‘What do we want to accomplish’ versus ‘What’s the real, unmet consumer tension.’” Erika Long, the corporate team’s Human Resources Leader, noted that GrowthWorks created “a real willingness to turn the mirror on ourselves.”

Fish sought to convert P&G’s solutions-focused mindset into a problem-focused one, so GrowthWorks adopted the mantra, “Fall in love with the problem, not the solution.” As Glogowski explained: “‘Fall in love with the problem’ became the direction for the critical thinking—the framework for our innovation efforts.” With a renewed focus on the consumer, “transactional learning” — the process of testing products and generating feedback by transacting with real consumers in the marketplace — became central to the GrowthWorks methodology.

GrowthWorks was not only a way to generate bolder solutions to consumer problems, it was also a framework for de-risking P&G’s investments in innovation (See **Exhibit 6** for the GrowthWorks approach). As Ferguson-McHugh explained:

There were times when we would fall into our own trap, where we would be really deep into the research and so passionate about an idea that we wouldn’t kill it when it should’ve been killed. GrowthWorks as an operating principle built on P&G’s consumer-focus and technology-focus but frankly gave us more rigor in our approach, with metered funding. Rather than invest millions for a 12-month experiment, I gave \$20,000 at a time and teams had six to eight weeks to validate their assumptions and demonstrate learnings. This enabled us to tap into the core of what people valued in the company while also helping to save us from ourselves. It enabled us to put many, many more ideas further into the system at very little money

By taking a consumer-led, rather than technology-led, approach, GrowthWorks helped P&G to “shape the technology investments” and avoid doing “heavy lifting on the technology side if it wasn’t

truly going to improve the experience for the consumer,” Fish explained. Setser added that, the strategy was to be “cooking and testing in the market to be able to ensure what was being built in the lab was meaningful to the consumer.”

GrowthWorks’ holistic approach to problem-solving also called for the formal integration of commercial and technical functions across the business. Pritchard noted:

We no longer think about innovation in silos where R&D focuses on product formula and brand focuses on the advertising. What we think about is every aspect of the consumer experience and trying to make it better – the product, package, communication, the in-store, online, in-use, the after-use, and how it all comes together. The future of brand building is experiences and that requires teamwork, which Kathy and I try to role model wherever possible.

Anticipating the gravity of these changes, Fish and her leadership team decided to “let each BU decide how they were going to run it and create some core central capability to help.” She added, “That’s when we started brainstorming and we decided to bring people from each BU to be the catalyst within that organization.”

Building out the “Growth Operating System”

At the end of 2016, Fish asked Taylor and CFO John Moeller to approve partnering with Bionic, a company that had developed a method to operationalize lean innovation principles in organizations. With their help, P&G built out the four components of their “Growth Operating System” across the BUs:

1. *Dedicated, Multi-Functional Teams – Entrepreneurs:* Groups of two to three “founders” who engaged in fast-cycle, inexpensive experimentation to identify and test ideas around a consumer problem, or “opportunity space.” (See **Exhibit 7** for examples of the opportunity spaces.) One person (either from the design or brand function) provided commercial expertise about the consumer and the business model, and the other (usually from R&D) provided technical expertise, focused on the consumer and the product design. BU leaders designated a third person based on the particular needs of a project.
2. *Growth Boards – Venture Capitalists:* A small, cross-functional executive leadership group consisting of the BU President and key VPs who owned the disruptive innovation portfolio within the BU and made investment decisions. They assessed the teams’ learnings and distributed metered funding accordingly based on the phase of the program and whether assumptions were validated or invalidated. Each business unit had its own Growth Board.
3. *Executive Sponsors:* An influential BU leader who enabled the teams. They worked with their peers across functions to break down barriers and provided the necessary permissions and resources for teams to experiment. They also partnered with teams if needed to decide whether to pass, persevere, or pivot their programs.
4. *Operating System:* A small, multi-functional group within the BU – the parallel of the corporate GrowthWorks team – that provided operations, supply chain, logistics, finance, rewards and other supporting functions to founder teams.

An Enterprise Growth Board, consisting of Fish, Pritchard, Taylor, Chief Financial Officer Jon Moeller, Chief Product Supply Officer Julio Nemeth, and the head of P&G Ventures, Mary-Lynn

Ferguson-McHugh, performed similar functions as the BU Growth Boards but at the enterprise level. “We’re a set of peers with David and we all have some sort of shared history, so there is a comfort level when we disagree and a respect of expertise when one of the Growth Board members has a better understanding in one area versus another,” Ferguson-McHugh explained. “More importantly than anything else, we want to learn. Learning is a key part of it because none of us grew up doing this. I think that’s a common thread that helps us work together,” she added.

In addition to maximizing internal and external value creation for their transformative platform technologies, Fish explained, the Enterprise Growth Board, “ensured the new growth portfolio across the company was sufficiently robust, because the new growth projects didn’t come evenly by BUs.” She added, “Part of the reason that we needed a portfolio was some projects should die. That was new learning for us as well. Things would stay forever if we weren’t intentional about killing them.”

Testing the Theory – the Three Pilots

In January 2017, P&G and Bionic launched three pilots in three BUs—Fabric Care, Hair Care and P&G Ventures. Leadership first asked each of the three BUs to focus their pilots on a “grand challenge” – what could disrupt them or become an opportunity space given where the consumers and technology were going in their industry. The Fabric Care team centered on the problem of “clothes ready on demand or ready when needed,” the Hair Care team focused on “scalp health for hair health,” and P&G Ventures on “foot health at every life stage.”

The next step, Fish said, was “to build a portfolio of experiments against those grand challenges.” Each team tested solution ideas with customers and established minimum viable **prototype** experiments. Meanwhile, they met with their VP Executive Sponsor regularly and met with the Enterprise Growth Board quarterly. Fish explained, “We evaluated how fast the experiments moved through the portfolio – that would be either moving forward or getting killed, because that was a big part of fast learning.”

Long noted that the intent of the pilots was to “run water through the pipes” and identify “the cultural and organizational elements of P&G that made it harder to do this work.” The learnings from the three pilots helped refine the GrowthWorks approach and GrowthWorks Operating System in each BU; in putting the elements in place, it became evident that P&G was unprepared for the different way of thinking and working.

Emergent Challenges

Not surprisingly, the new skills required for GrowthWorks – working cross-functionally, dedicated teams, comfort with failing fast, question-based leadership, and metered funding were difficult. Long noted, “When you go through tough times, you can get bad behaviors. We also had some leaders who got to their leadership positions using a playbook that wasn’t going to work in our new disruptive environment.”

Getting Employees to Buy In

The majority of P&G’s employees were not accustomed to working on disruptive “big bets,” partly because it required them to work cross-functionally very early, but also because their career systems rewarded executors, not risk-takers. As Anne Berkowitch of Bionic noted, “P&G was used to tracking against concrete metrics where you could check the box – ‘did you achieve this, yes or no’ – across the whole organization, not only in processes like procurement, but also in talent performance. It made

decision-making in this new way of working very uncomfortable.” While those in R&D were generally familiar and comfortable with the notion of experimentation, the fear of failure was particularly problematic for those in the Brand Management function who believed, as one said, “disruptive innovation is where marketers go to die.” Long noted, “When you hire ‘Type A’ people who are at the top of their class and straight-A type people, they don’t fail. When you’ve always been right, failing isn’t really something they’re used to or understand.” She added:

The biggest challenge that emerged loud and clear from the pilots was the problem of who got promoted at P&G. There were elements of the way we managed talent, like our performance ratings and individual talent management systems, that rewarded individuals. The accountability was unclear...It really comes down to career and career risk. Working on a big base business, where you might have lofty goals, but you have a good brand and customers and distribution...There’s less ambiguity there. In this space, it’s very uncertain and very unknown so it feels risky to take on this work. Especially if you are in some of our commercial functions that had the perception of not rewarding this work in the past.

In order to create a hospitable environment for innovation within P&G, the corporate GrowthWorks team started to rethink how the company valued and rewarded work and how it developed its people. As Ferguson-McHugh explained:

This way of working could truly benefit the company in a world that was changing much faster than it changed when the people before us were leading the company. Our very best talent needed to be able to learn and be successful in it, because it was going to be ever more important in ten years. GrowthWorks had to become part of the fabric of how we did things. It needed to become part of the career path and career planning for those who wanted to continue to move up in the company.

Long partnered with the HR manager of Fabric Care and together, they applied lean innovation to run experiments against the career system problem. Long noted:

One of my favorite quotes somebody told me was, “We hire entrepreneurial thinkers and then in our processes and systems, we tend to hold them back.” And so, the motto of GrowthWorks was to “unleash people.” I believed that we could come up with an employee value proposition that said, “Come and do this type of work at P&G, feel valued and rewarded, grow your career here, but you don’t have to take on the risk of a typical entrepreneur. You can have your P&G compensation and benefits and be rewarded if you do make the next billion-dollar idea.”

After generating multiple minimum viable products, the team developed an “E-track” experiment—a career track for entrepreneurs which proposed a compensation structure tied to a sales target, burn rate, and a new metric, “entrepreneurial stewardship,” defined by the amount of learnings projects produced and whether or not they moved through the funnel. Long added, “My goal was for people to see that failure was accepted and learning was rewarded. You can’t fail just because you didn’t perform, but the most important thing is the learning.” In their first experiment, the team tested E-Track with thirteen employees on GrowthWorks teams in Fabric Care, hoping that 50% would opt-in. In the end, nine of thirteen did, which led them to continue iterating on the solution.

Building New Leadership Capabilities

As they rolled out the GrowthWorks operating systems across the rest of the BUs, the challenges from the pilots resurfaced. Setser recalled, “The first and hardest decision that anybody had to make was to put a dedicated team on these projects. That was really a harbinger of things to come.” The corporate GrowthWorks team devised a tactic to address the BU presidents’ dedication issues, she added: “If somebody wanted to work with us, and get the help of Bionic, which Kathy and Marc were paying for, then they had to declare a dedicated team. This tactic initially seemed to work, but then we got to a deeper issue.”

The corporate team began conducting “activation” sessions to help founders overcome their risk-aversion and get excited about lean innovation. There was major demand from the BUs for these activations but as Boeckerman recalled:

It was the most fulfilling experience that then crashed in such devastation because we fired up the teams and they went off and started working in this new way, using the new language, but we hadn’t taught their leaders anything. So while we had activated hundreds of people, that didn’t mean it was going to change business results. That’s when we realized we had to train the leaders *and* teams together to drive an actual behavior change in the organization.

Entrepreneurial management required different capabilities than the general management P&G’s leaders had grown accustomed to over time. Bionic provided on-the-job training during the quarterly Growth Board meetings; they coached leaders to reflect on how many statements they had made versus questions asked during meetings, and to hold teams accountable to learnings rather than financial returns in the short term. Long added: “We say leaders should ask four questions: “What did you learn? How do you know? What do you need to learn next? How can I help?” Culturally, those questions are so important. The first question, “What did you learn,” takes away the element of pass/fail. “How can I help” enables the teams because they’re expected to come in with what they need the leader to do.”

Bionic’s coaches also worked one-on-one with the founder teams, their executive sponsors, and the operating system teams to do initial onboarding and training on the GrowthWorks principles and framework. As Boeckerman noted, “This was critical because we all learned how to do this in a common language and Bionic could see across all four spaces to connect the coaching in a way that enabled us to be extremely productive during this time.”

The Garage – Bringing in New Capabilities into the Organization

Once everyone in the ecosystem aligned on the GrowthWorks framework, founders started to excel. The first experiments “blew away” the Growth Boards, but as they entered validation stages, a new series of challenges emerged. Suddenly, teams were responsible for consumer data, credit card spending, safety validation, legal compliance, etc. and, as Pritchard noted, “When you’re part of this big performance machine, you take all that stuff for granted.” For teams to start up a direct-to-consumer operation, they essentially had to establish a whole business, which required an entirely new set of capabilities and resources. Teams became stuck because they could not buy media, publish a website, or fulfill product at small-scale. Brase recalled his experience in Family Care:

We’re one of these big oak trees in the P&G portfolio – a five billion dollar business – and our role, day in and day out, is to deliver very reliable top and bottom line growth back to the enterprise. We have a very developed business model and a certain way that

we bring innovation to the market. We've gone after new sources of growth in our past, but with GrowthWorks, it was very different. True to the principles, we put two very experienced people in charge of this important work, and we fully dedicated them to solve a consumer tension and create new sources of growth.

Ferguson-McHugh insisted that choosing the right talent for the founder team was essential to give the work a "sense of credibility" in the BU, she noted: "We selected two highly talented, highly rated and highly respected commercial and R&D leaders who understood the category very well and had tremendous upward potential in the company." In 90 days, the founder team had identified an opportunity space—that consumers hate running out of toilet paper and paper towels—and identified three disruptive solutions, one of which was an oversized toilet paper roll, which they called the "Forever Roll." (See **Exhibit 8** for the "Forever Roll" fact sheet.) Whether teams were developing high-tech solutions, like those featured at CES, or low-tech solutions, like the Forever Roll, they faced similar challenges as they began to experiment. Brase noted:

We gave the team another 90 days to prototype it and get in front of consumers. . . . Immediately, we ran into all kinds of barriers—regulatory, legal, consumer security, privacy. The P&G system did not enable us to operate in the way that we needed to in order to move fast. The other thing was capabilities. I needed someone to build a grade-A eCommerce platform. We didn't have that skill here in Family Care. How could I find that? I didn't know how to hire a performance marketer!

Fish, Pritchard, and the corporate GrowthWorks team decided to supply enabling capabilities as a centralized service to the BUs. They created the concept of "The Garage"—a "one-stop-shop" funded by Fish and Pritchard that housed design, research, product supply, IT and commercial capabilities, as well as UX/UI, and media buying and acquisition expertise. The Garage created an agile talent-supply, which they made available to the BUs to "try," and this enabled teams to source needed expertise quickly, as problems arose in their day-to-day operations.

Following the broader GrowthWorks "pull" philosophy, Monica Penagos, Commercial Innovation Manager, described the model for The Garage as "try-it and then buy-it." Brase contracted a performance marketer (i.e. specialized in pay-for-performance advertising rather than mass marketing) from The Garage to assist the Forever Roll team for six months, after which he decided to hire him full-time. Brase explained: "The Garage helped break down central barriers that the P&G system didn't enable, and they helped us find and develop skills and capabilities that we didn't have in our business. It has been an amazing enabler. If that wasn't there, we'd be in trouble."

With respect to the future of the Garage, Pritchard remarked, "We have a mission to put the GrowthWorks Garage out of business. This is temporary. You can borrow it to get started but we want you to build this in your business unit. Build your own Garage—that's the next phase."

Incubate – Testing Agility

By early 2018, the time and resources invested to develop the capabilities for disruptive innovation started to pay off. A number of projects had kicked off, validated their consumer problem and their proposed solution, and many, including the Forever Roll, were moving into incubation. As Berkowitch explained, "To incubate means you're transacting with real consumers, you're in the market, but at small scale. Your investment is limited, and you're continuing to run tests around the business model and breadth of adoption to really understand what your unit economics are."

Incubation was the time to maximize value and de-risk investment but as Fish noted, “We have two issues with incubation: sometimes we go too slow and sometimes we scale too fast.” The corporate GrowthWorks team soon realized that incubation required agile funding, product supply, and operations, which the current operating system teams did not possess. Setser noted, “Historically, we were really in a place where we were playing our scale and because we had shifted all of our systems to enable scale, we no longer had the agility that we needed to do some of these small experiments.”

The broader industry trend toward personalization required the delivery of smaller batches to niche customer segments. When it came to agile supply at P&G, “We could make five products in a lab or 500,000 in the plant but we couldn’t figure out how to make 5,000. It was the mid-range levels of supply that made incubate a challenge,” Long noted. The Forever Roll team had made their first prototypes by hand, and when they reached incubation, Brase noted:

Family Care manufacturing was centered around highly capitalized equipment. We were used to selling several hundred thousand cases a day, putting 1,000 trucks on the road. Our next stage of learning was to transform our supply chain from huge, high capital, low cost, very slow cycle speed to fast speed, low capital, high variable cost (during the learning cycle). The question was, “How do we create an agile supply chain to support this DTC business to enable fast cycle learning?”

Beyond that, transacting with consumers at medium scale posed significant difficulties. Niall de Lacy, Vice President, Human Resources, explained, “P&G was set up to transact with millions of people and with very large retailers. When you experiment, you want to transact with 50, 100, 200, 300 consumers for learning, but we weren’t used to transacting in that range.”

Furthermore, while the BU presidents were willing to make the initial investments to do small-scale experiments, when it came time to incubate the startups and double down, Hershenson noted, “We lacked the systems and the knowledge to do the stair-step investment required.” Berkowitch added:

If you had your finance group deciding whether to release funding for a nascent business, that business was unlikely to get it because it couldn’t demonstrate the ROI and financial metrics of a more mature business, which was what finance was trained to look at. Early stage teams were always “at risk” with their funding.

As Fish put it, the challenge was “how to make sure we were making the investments that we need in the mid- to long-term when there was so much short-term pressure?” Boeckerman explained that the need for a “ring-fenced incubation fund” was clear but it called for new forms of metrics to evaluate the success of projects over time, which was unfamiliar. Additionally, the teams themselves needed to develop their finance skills and their ability to define and articulate a value-creation hypothesis in this context.

Incubation became a critical juncture for GrowthWorks. As one person on the corporate GrowthWorks team noted, “Finance was really pressure testing us during this time. GrowthWorks would be a hobby if we couldn’t drive programs to move through the funnel and grow the company.”

Gaining Momentum

In spite of the difficulties with incubation, by late 2018, GrowthWorks was starting to impact the core business. Brase reflected:

We’re learning how to flex new muscles that are helping us on the current business side. Anything like this in traditional P&G would’ve taken multiple years and multiple

millions of dollars. We used to do multi-million dollar qualification of a product upgrade, we'd do pre-market testing, we'd spend hundreds of thousands of dollars for the privilege of putting a piece of communication in front of a consumer, and we never even thought about it. Now, I'm learning how to market in a digital world. I've got good people who know what they're doing, we've got smart agencies, and we are more comfortable learning on the fly with smaller bets. And if we get it wrong, it's a few hundred consumers. We sell to 100 million consumers. The speed at which we're learning on our communication, the speed at which we're testing our product upgrades, and the cost that we're expending to get to that learning is night and day different. That's honestly paying dividends today. (See **Exhibit 9** for P&G's key financial data from 2009-2019).

Fish, Pritchard, and the corporate GrowthWorks team were also feeling encouraged by the overall enthusiasm in the BUs—even P&G's proxy fight in 2017 had not inhibited the effort. In 2019, according to Boeckerman, "The Bench," the component of "The Garage" which housed the digital capability to do direct-to-consumer experiences, was in high demand: "We could not keep up. People were loving it!" The team had activated over 800 leaders and teams and scores of founders were making progress. Fish decided it was time to review the GrowthWorks portfolio and she asked each BU to create and submit theirs. Boeckerman remarked, "Every BU created one, and we suddenly had visibility of all the programs in the company. It helped to make it real. The first time we actually put it all together, we saw there were over 100 projects. It was amazing."

Embedding GrowthWorks

Fish started to plan for her leadership meeting the following week but something Boeckerman had mentioned in their end-of-year GrowthWorks meeting was echoing in her head: "If we don't get GrowthWorks integrated into a system that lives beyond the people, then it literally isn't going to live. So, if it's not integrated into the leadership innovation training programs, if it isn't integrated into the innovation tracking process of the company, if it isn't integrated into the HR system, then what honestly will keep this alive?"

Fish felt like P&G was at a tipping point: "I've been through a lot of change programs and this one feels very different...We're starting to be a movement." It was evident to Fish that GrowthWorks was a catalyst for all innovation and that it had the potential to transform P&G at large scale, but she worried the company would regress unless it underwent deep system transformation. While she had been reluctant to issue a mandate up until that point, Fish considered whether it was time to rework P&G's incentive structures. She reflected: "We have to work the rewards system because we've lived in a world where operating the big business pays the bills. I personally believe we need our leaders to be ambidextrous and be able to operate the business and create new growth opportunities. They need to have experience with both and get rewarded appropriately."

In addition, Fish felt more and more that it was time to put mid- to long-term innovation metrics on the BU presidents' scorecards. Even if she could convince leadership of the need in principle, what metrics could they use to measure progress on disruptive innovation programs? How would the presidents react? What else could be done to create this as a sustaining change?

Exhibit 1 P&G's Consumer Experience Show at CES 2019

CONSUMER EXPERIENCE SHOW



2019 marks the first time P&G will be an exhibitor at the Consumer Electronics Show. While we may be the new kid on the block, we are no stranger to innovating with a rich 181-year history of consumer technology innovation.

Over the next several days, we want to show you what we're doing to deliver breakthrough inventions that can meaningfully improve the everyday lives of the people we serve around the world.

You will experience a selection of technologies from our portfolio of household and personal care products. From familiar brands like Crest, Oral B, Gillette, SKII and Olay to several new brands we're also introducing. While we may not invent something that will take people to Mars, we do integrate cutting edge technologies into everyday products and services that transform people's lives.

Welcome to **P&G's Consumer Experience Show**. Yes, I said Experience. Because we're living in a time of mass disruption where the exponential power of technology combined with shifting societal and environmental forces are transforming consumer experiences every day.

CONSUMER EXPERIENCE SHOW

3



We are...

Innovating how we innovate.

We're raising the bar on what we call 'irresistible superiority' to give consumers the highest quality and level of benefits they expect and deserve in their product, package, communication and shopping experiences with the brand. We aim to delight people from the moment they see the brand on their phone to when they use it every day.

Innovating faster by combining 181 years of capability with the entrepreneurial spirit of a lean start-up. In fact, we have more than 130 lean seed stage experiments running right now.

Open for business! We are collaborating with and looking for new partners and entrepreneurs to unlock sources of growth from technologies, products, services or solutions.

Reinventing brand building from wasteful mass marketing to highly personalized one-to-one brand building on a mass scale.

Transforming media from 'mass blasting' through traditional networks and digital companies to 'mass reach with one-to-one precision' using data, analytics and technology.

Innovating in advertising from all push to more pull advertising. Creating talkable content and replacing annoying ads with useful experiences through artificial intelligence before they buy, while they shop and when they use our products.

Reinventing how we work. P&G entrepreneurs getting their hands on the keyboard and partnering with a wide network of start-ups and strategic partners to provide personalized consumer experiences whenever and wherever they engage with our brands.

As consumers change, so are we.

What remains the same is our focus on deeply understanding how consumers live, work, and play so we identify what they want. **When we combine breakthrough science and technologies with this deep consumer understanding, we're able to deliver transformative innovations that improve life every day.**

We are proud to bring this to you in our consumer experience show: **P&G's LifeLab.**

You will see how we combine what is needed with what is possible by starting with an important question that stretches the minds of innovators: "What if?"

Exhibit 2 P&G's 10 Category-Based Business Units as of January 2019



Source: Company document.

Exhibit 3 P&G's CES 2019 Products

CONSUMER EXPERIENCE SHOW

4



Let's introduce you to some of the innovations you'll see at our LifeLab.

The Heated Razor by GilletteLabs

What if you could have a luxurious hot towel barber shave experience every day without the barber and without the hot towel?

GilletteLabs is reinventing shaving into an unexpected and enjoyable daily delight. At the push of a button the Heated Razor delivers instant warmth and provides a noticeably more comfortable shave. By fusing beautiful design with re-imagined function, we're bringing the barber hot towel experience to consumers so you can get the gold standard of personalized shaving performance every day.

Opté

What if you could have a flawless and natural look without wearing heavy makeup?

By combining the best of optics, proprietary algorithms, printing technology and skin care in one device, Opté's camera scans, detects and corrects imperfections

in your skin with precision application. Its proprietary technology allows it to treat only the small areas that need correction without covering the skin that doesn't, resulting in a natural, flawless look that makeup and professional treatments are unable to achieve. With Opté, the natural beauty of your skin is revealed.

Oral B Genius X

What if you could get personalized dental care coaching from your toothbrush?

The Oral B GENIUS X with Artificial Intelligence is P&G's most advanced model ever. This innovative device was developed from thousands of human brushing behaviors, enabling the brush to instantly recognize your unique brushing style and provide personalized feedback. The Oral-B GENIUS X tells you whether you're brushing too little, too long in one place, or are missing an area completely, and the Artificial Intelligence in GENIUS X goes a step further. It actually recognizes where in the mouth you are brushing for the most accurate, real-time feedback. It has

never been easier to get the most advanced guidance that leads to better brushing, and superior oral health.

Olay Skin Advisor

What if you could get a personalized skin care regimen with one selfie?

Olay Skin Advisor is a web-based analytics platform that puts control of skin care into your own hands. With a full suite of artificial intelligence technologies, Olay Skin Advisor is the first-ever application of deep learning in the beauty industry and is one of the first-ever applications of synaptic intelligence. Olay's trademarked ViziD™ Technology allows you to take a selfie and understand your skin's age versus your actual age. It's proprietary algorithm has been trained with over 50,000 images to detect areas that are driving skin age and then pinpoint the skin care regimen that fits each person's specific needs. More than 5 million visitors in 11 countries have already experienced the Olay Skin Advisor's truly personalized approach.

CONSUMER EXPERIENCE SHOW

5



SK-II Smart Bottle

What if your brand was smart from store to home?

The SK-II Future X Smart Store offers an AI-supported shopping experience with personalized recommendations based on smart scans of your skin, product browsing on virtual shelves and shopping through a wave of the hand. It's the first augmented reality "phy-gital" retail environment merging the physical and digital including state-of-the-art facial recognition, computer vision and AI technology enhanced by SK-II's proprietary Skin Science and Diagnostics innovation to get exactly what you need. And when you take SK-II's Facial Treatment Essence home, it has a new, smart packaging feature that harnesses Internet of Things technology through a companion app for personalized skincare every day.

DS-3

What if this tiny swatch could help change the environment?

DS3 is a breakthrough technology we're testing on Indiegogo that eliminates water from the final product removing 80% of the weight, 70% of the space and 75% of the emissions. Talk about disruption. This technology could transform many product categories. One liquid-free swatch works better than heavy, water-based cleaning products. Wide use of this technology could help reduce one million plastic bottles, 12 million pounds of carbon dioxide from one hundred thousand trucks and 800 million gallons of water required to make, ship and use everyday household and personal care products. This technology makes a difference for consumers everyday while helping to improve the environment over time.

These innovations give you a sense of what we're doing at P&G to combine what is needed with what is possible and answer the question "what if?" to deliver irresistibly superior consumer experiences. We invite you to come to the P&G LifeLab to see more and to talk about what we can do together by joining forces in partnerships to lead disruption.

Thank You.



Source: Company document.



Kathleen B. Fish

Chief Research, Development and Innovation Officer

Kathy Fish leads P&G's global innovation program and strategy, its nearly \$2 billion annual investment in Research & Development (R&D), and its end-to-end packaging transformation. Kathy is also liaison to the Board of Director's Innovation and Technology Committee.

Kathy brings more than 39 years of global and regional innovation leadership. She is transforming the way P&G innovates, investing in capabilities and technologies to deliver discontinuous innovation that enables long-term business growth.

Kathy joined P&G in 1979 as part of the Product Development (R&D) organization. She has a strong track record of breakthrough innovation across P&G's largest businesses (Fabric Care, Baby Care, Hair Care). Most recently, she led the Global Fabric Care R&D organization in identifying the consumer need and developing the products and platforms behind the launch of Tide and Ariel Pods and Downy and Lenor Unstoppables in-wash scent booster.

As the first female in her role, and passionate about the importance of diversity to innovation, Kathy fosters an inclusive environment where women can excel in technical disciplines. She is also an executive sponsor of P&G's Asian Pacific Americans affinity group.

Birthplace	Year	Positions Held
Fort Worth, Texas, U.S.A.	2017	Chief Research, Development and Innovation Officer
Education	2014	Chief Technology Officer
Michigan State University, B.S., Chemical Engineering, 1979	2009	Vice President, Global Fabric Care Research & Development (R&D)
Date Joined P&G	2006	Vice President, Global Baby and Adult Care R&D
July 16, 1979	2004	Manager, Global Baby and Adult Care R&D
	2003	Manager, Global Baby Care R&D
	2002	Director, Baby Care Upstream Technology and Programs
	1999	Director, Global Fabric Conditioners, Global Fabric and Home Care R&D
	1996	Director, North America Hair Care Product Development, Global Shampoo and Styling Programs

Kathleen B. Fish (cont'd)

Year	Positions Held
1995	Director, Beauty Care Technology
1990	Associate Director, Hair Care Product Development, Styling
1986	Section Head, Head & Shoulders R&D
1985	Section Head, Shampoo, Conditioner and Lit/Ivory Section R&D
1983	Beauty Care Product Development, New Hair Products
1981	Group Leader, Bonus
1979	Asia and Canada Process Development

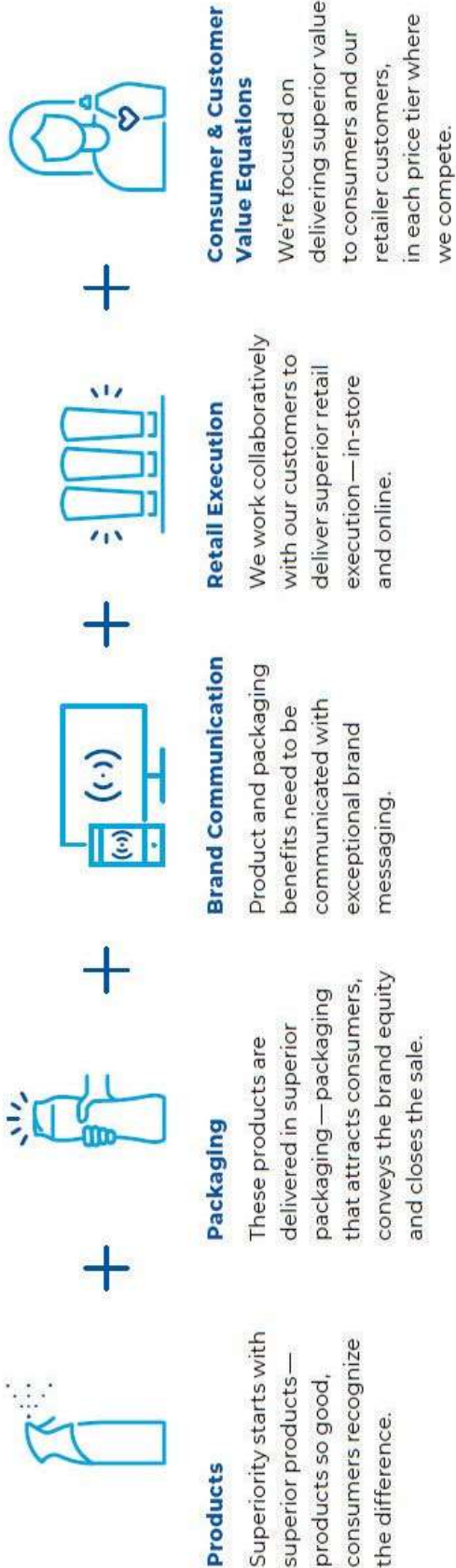
Affiliations, Activities and Recognition

University of Michigan Engineering, Advisory Board
Cincinnati Business Courier, Women Who Mean Business, Honoree
STEMconnector, 100 Leaders in STEM

Exhibit 5 Five Vectors of Superiority

ACCELERATING NOTICEABLE BRAND SUPERIORITY

P&G is creating and extending competitive advantage through superior product performance, packaging, brand communication, retail execution, and consumer and customer value.

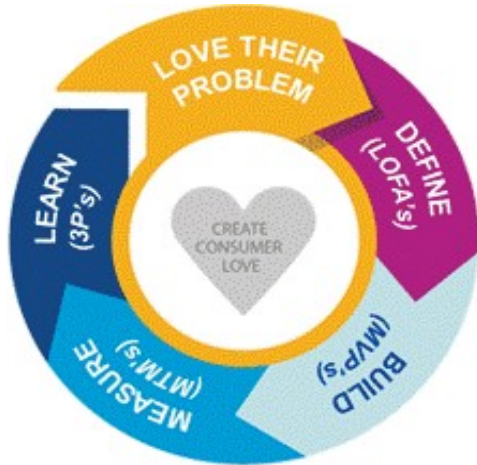
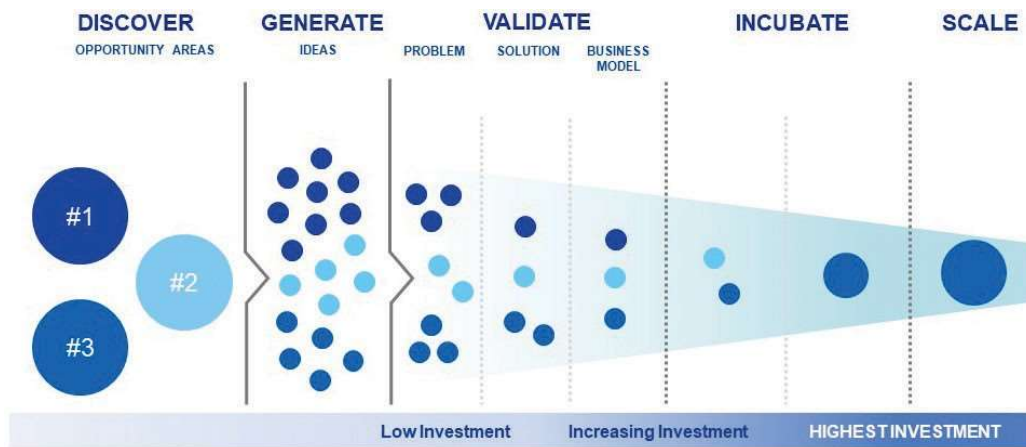


SUPERIORITY LEADS TO GROWTH AND VALUE CREATION

When we excel across these measures of noticeable superiority, we deliver on key business success metrics:



Source: Company document.

Exhibit 6 The GrowthWorks Approach*Combining the Spirit of Entrepreneurship**With an Entrepreneurial Structure**And a Future-Focused Portfolio*

Source: Company document.

Exhibit 7 P&G's Current Opportunity Spaces

CONSUMER EXPERIENCE SHOW

2



URBANIZATION



AGING
POPULATION



RESOURCE
SCARCITY



DIGITAL
TECHNOLOGY

What are some of the important trends driving this change and shaping P&G's innovation?

Urbanization. For the first time in history more people live in urban settings than rural. Urban living is expected to reach 70% of the world's population by 2050. This means people are living in smaller spaces, are more connected and more congested with new problems to solve through products and services including how they shop, care for their households and manage their busy lifestyles.

There's a global surge in the **Aging Population.** We are part of the fastest growing and largest consumer segment in the world which is projected to reach 2.2 billion people over the age of 50 by 2030. Aging eyes, aging skin, hair, hands and bodies bring a wealth of opportunities for innovative products and services. And by the way, this group represents 50% of

all consumer spending so they have the money for new experiences.

Resource Scarcity is affecting our environment and consumers are more aware of, interested in and directly impacted by that scarcity. We have a perfect storm of stress factors: population growth, urbanization, climate change, resource mismanagement and infrastructure problems. Two-thirds of the global population will experience water stress by 2025. The water crisis and other environmental challenges will change the way people live and consume, which brings massive opportunities for innovation.

All of this is underpinned by the power of pervasive **Digital Technology.** Data, analytics and technology dominate every aspect of how we live, work and play with e-commerce and direct-to-consumer shopping, robotic supply chains, virtual product

innovation, programmatic media, machine learning, artificial intelligence, blockchain, meshing, augmented reality and voice. Data and technology are literally affecting every aspect of daily life and enabling people to solve their unique problems and meet their individual desires in a highly personalized yet interconnected way.

These forces of mass disruption are shaping P&G's approach to innovation, yet we're often asked the question, "**can large, established companies, even consumer packaged goods companies, thrive in today's marketplace?**" Well, the answer to that is a resounding **YES.**

And the best way to deal with mass disruption is to constructively lead disruption, which is what we're doing.

Source: Company document.

Exhibit 8 Charmin Forever Roll



Charmin

Enjoy The Go Longer with Charmin® Forever Roll

Product Facts

- Go up to ONE MONTH before changing Charmin Forever Roll
- Charmin Forever Roll is the same 2-ply Ultra Soft toilet paper you know and love
- If you're not satisfied with your Forever Roll, Charmin offers a 30-Day money back guarantee*
- Charmin Forever Roll comes in a 12" diameter size priced at \$9.99, and starter kits come with three rolls and includes a roll holder. Charmin Forever Roll ships FREE to the continental U.S.
- Visit shop.Charmin.com for more information on the entire Charmin Forever Roll product line.

Did You Know...

- 85% of U.S. adults agree that walking into a bathroom that has an empty toilet paper roll is one of the most frustrating bathroom scenarios.**
- More than half of those ages 18-34 (58%) admit to being on the toilet before realizing they had run out of toilet paper.**

Charmin® Forever Roll Product Line



Charmin Forever Roll



Wall Mount and Freestanding Roll Holders



Starter Kit with Roll Holder

Source: Company document.

Exhibit 9 P&G Key Financials (2009-2019)

Key Financials ¹		12 months Jun-30- 2009A	12 months Jun-30- 2010A	12 months Jun-30- 2011A	12 months Jun-30- 2012A	12 months Jun-30- 2013A	12 months Jun-30- 2014A	12 months Jun-30- 2015A	12 months Jun-30- 2016A	12 months Jun-30- 2017A	12 months Jun-30- 2018A	12 months Jun-30- 2019A
Currency		USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Total Revenue		76,694.0	77,567.0	81,104.0	82,006.0	80,116.0	74,401.0	70,749.0	65,299.0	65,058.0	66,832.0	67,684.0
Growth Over Prior Year		(3.2%)	1.1%	4.6%	1.1%	(2.3%)	(7.1%)	(4.9%)	(7.7%)	(0.4%)	2.7%	1.3%
Gross Profit		38,004.0	40,525.0	41,245.0	40,595.0	40,125.0	35,371.0	33,693.0	32,390.0	32,420.0	33,219.0	33,437.0
Margin %		49.6%	52.2%	50.9%	49.5%	50.1%	47.5%	47.6%	49.6%	49.8%	49.7%	49.4%
EBITDA		18,456.0	18,840.0	18,333.0	17,815.0	17,107.0	17,051.0	16,211.0	16,532.0	16,586.0	17,041.0	17,130.0
Margin %		24.1%	24.3%	22.6%	21.7%	21.4%	22.9%	22.9%	25.3%	25.5%	25.5%	25.3%
EBIT		15,374.0	15,732.0	15,495.0	14,611.0	14,125.0	13,910.0	13,077.0	13,454.0	13,766.0	14,207.0	14,306.0
Margin %		20.0%	20.3%	19.1%	17.8%	17.6%	18.7%	18.5%	20.6%	21.2%	21.3%	21.1%
Earnings from Cont. Ops.		10,680.0	10,851.0	11,698.0	9,150.0	10,953.0	10,658.0	8,287.0	10,027.0	10,194.0	9,861.0	3,966.0
Margin %		13.9%	14.0%	14.4%	11.2%	13.7%	14.3%	11.7%	15.4%	15.7%	14.8%	5.9%
Net Income		13,436.0	12,736.0	11,797.0	10,756.0	11,312.0	11,643.0	7,036.0	10,508.0	15,326.0	9,750.0	3,897.0
Margin %		17.5%	16.4%	14.5%	13.1%	14.1%	15.6%	9.9%	16.1%	23.6%	14.6%	5.8%
Diluted EPS Excl. Extra Items ³		3.39	3.47	3.85	3.06	3.71	3.62	2.84	3.49	3.69	3.67	1.43
Growth Over Prior Year		(0.5%)	2.3%	11.2%	(20.6%)	21.1%	(2.3%)	(21.7%)	23.1%	5.7%	(0.5%)	(61.0%)

Exhibit 9 (Continued) P&G Key Financials (2009-2019)

Historical Capitalization	Jun-30-2009	Jun-30-2010	Jun-30-2011	Jun-30-2012	Jun-30-2013	Jun-30-2014	Jun-30-2015	Jun-30-2016	Jun-30-2017	Jun-30-2018	Jun-30-2019
Balance Sheet as of:											
Pricing as of*	Aug-14-2009	Aug-13-2010	Aug-10-2011	Aug-08-2012	Aug-08-2013	Aug-08-2014	Aug-07-2015	Aug-09-2016	Aug-07-2017	Aug-07-2018	Aug-06-2019
Currency	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Capitalization Detail											
Share Price	\$52.37	\$59.82	\$58.51	\$66.72	\$82.17	\$80.95	\$75.48	\$85.99	\$91.44	\$82.64	\$114.28
Shares Out:	2,918.9	2,838.5	2,747.8	2,754.3	2,738.8	2,707.7	2,712.6	2,668.8	2,550.0	2,498.1	2,502.3
Market Capitalization											
- Cash & Short Term Investments	152,862.3	169,797.6	160,771.9	183,765.2	225,044.0	219,184.5	204,744.2	229,485.9	233,173.3	206,443.0	285,958.2
+ Total Debt	4,781.0	2,879.0	2,768.0	4,436.0	5,947.0	10,686.0	11,612.0	13,348.0	15,137.0	11,850.0	10,287.0
+ Pref. Equity	36,972.0	29,832.0	32,014.0	29,778.0	31,543.0	35,417.0	30,350.0	30,598.0	31,592.0	31,286.0	30,092.0
+ Total Minority Interest	1,324.0	1,277.0	1,234.0	1,195.0	1,137.0	1,111.0	1,077.0	1,038.0	1,006.0	967.0	928.0
= Total Enterprise Value (TEV)	186,377.3	198,351.6	191,612.9	210,898.2	252,422.0	245,788.5	225,190.2	248,415.9	251,228.3	227,436.0	307,076.2
Book Value of Common Equity	61,775.0	59,838.0	66,406.0	62,244.0	66,927.0	68,103.0	61,342.0	56,303.0	54,178.0	51,326.0	46,266.0
+ Pref. Equity	1,324.0	1,277.0	1,234.0	1,195.0	1,137.0	1,111.0	1,077.0	1,038.0	1,006.0	967.0	928.0
+ Total Minority Interest	-	324.0	361.0	596.0	645.0	762.0	631.0	642.0	594.0	590.0	385.0
+ Total Debt	36,972.0	29,832.0	32,014.0	29,778.0	31,543.0	35,417.0	30,350.0	30,598.0	31,592.0	31,286.0	30,092.0
= Total Capital	100,071.0	91,271.0	100,015.0	93,813.0	100,252.0	105,393.0	93,400.0	88,581.0	87,370.0	84,169.0	77,671.0

Source: Capital IQ.