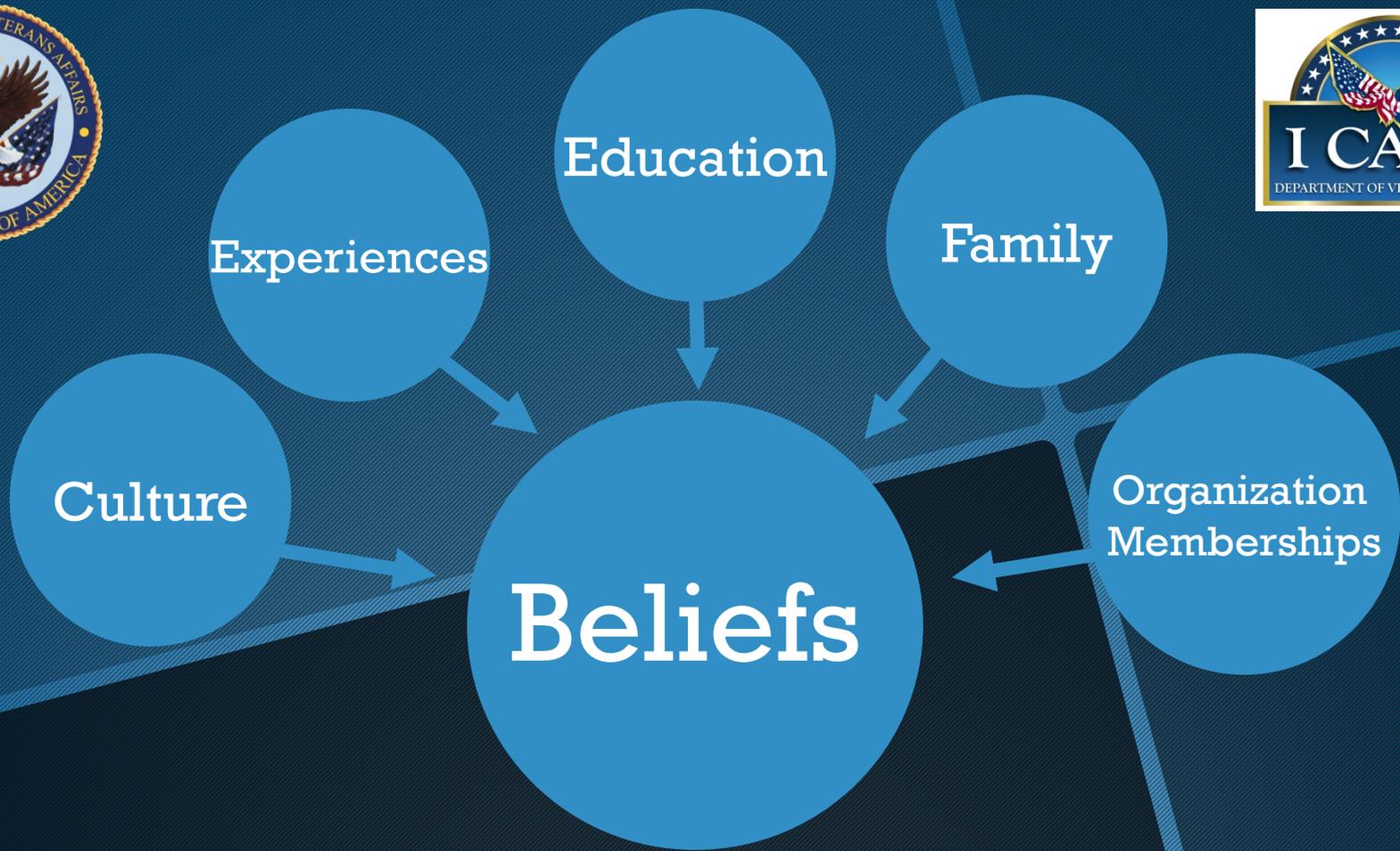




Secretary of Veterans Affairs Robert A. McDonald



Values-Based Leadership



It is important for each individual, each organization, to get in touch with their education, experiences, culture, family heritage, and organizational memberships to develop their own set of beliefs



Living a life driven
by *purpose* is more
meaningful and rewarding
than meandering through
life without direction

1



Life of Purpose: Improving Lives





P&G's Purpose



We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come.

As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper.



VA's Mission



“To care for him who shall have borne the battle, and for his widow and his orphan.”

Abraham Lincoln: 2nd Inaugural Address, March 4, 1865





Values



P&G

- Integrity
- Leadership
- Ownership
- Passion for Winning
- Trust

VA

- Integrity
- Commitment
- Advocacy
- Respect
- Excellence



2

Institutions must
do well to do good and
must do good
to do well

Positive and Virtuous Cycle



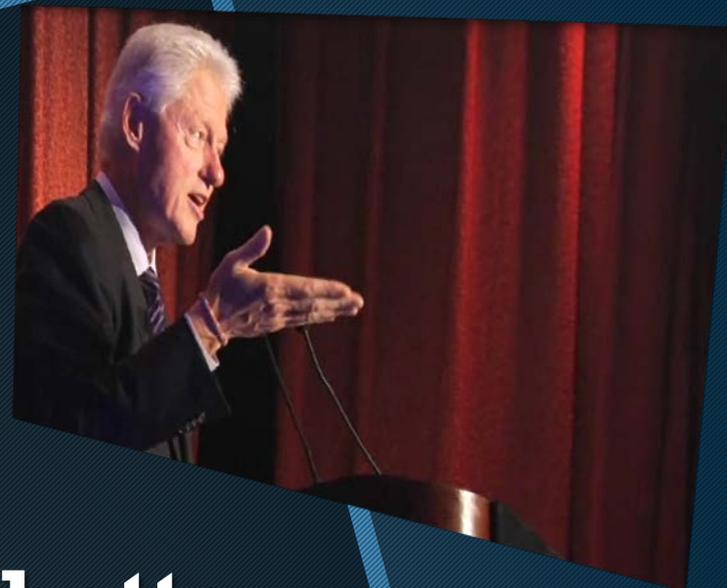
Purpose and Values Must Be Pervasive





I'm 13 years old. I go to school to get education,

I'm 13 years old. I go to school to get education,



To make people's lives better



3

Everyone wants to
succeed, and success is
contagious



4

Putting people in the right jobs is one of the most important jobs of the leader



Character is the most important trait of a leader

Put the needs of the organization above your own
Take personal responsibility for organization results

5



“Choose the
harder right
instead of the
easier wrong”

From West Point Cadet Prayer



6

Diverse groups of people
are more innovative than
homogeneous groups



Diversity Sparks Ideas and Innovation



“Things almost never turn out as expected”



“Change almost always comes as a surprise
because things don’t happen in straight lines.
Connections are made by accident.”

James Burke, Science Historian
and Author/Producer of *Connections*



The Golden Rule

**Treat others as
you would want
to be treated**

The Platinum Rule

**Treat others as they
want to be treated**

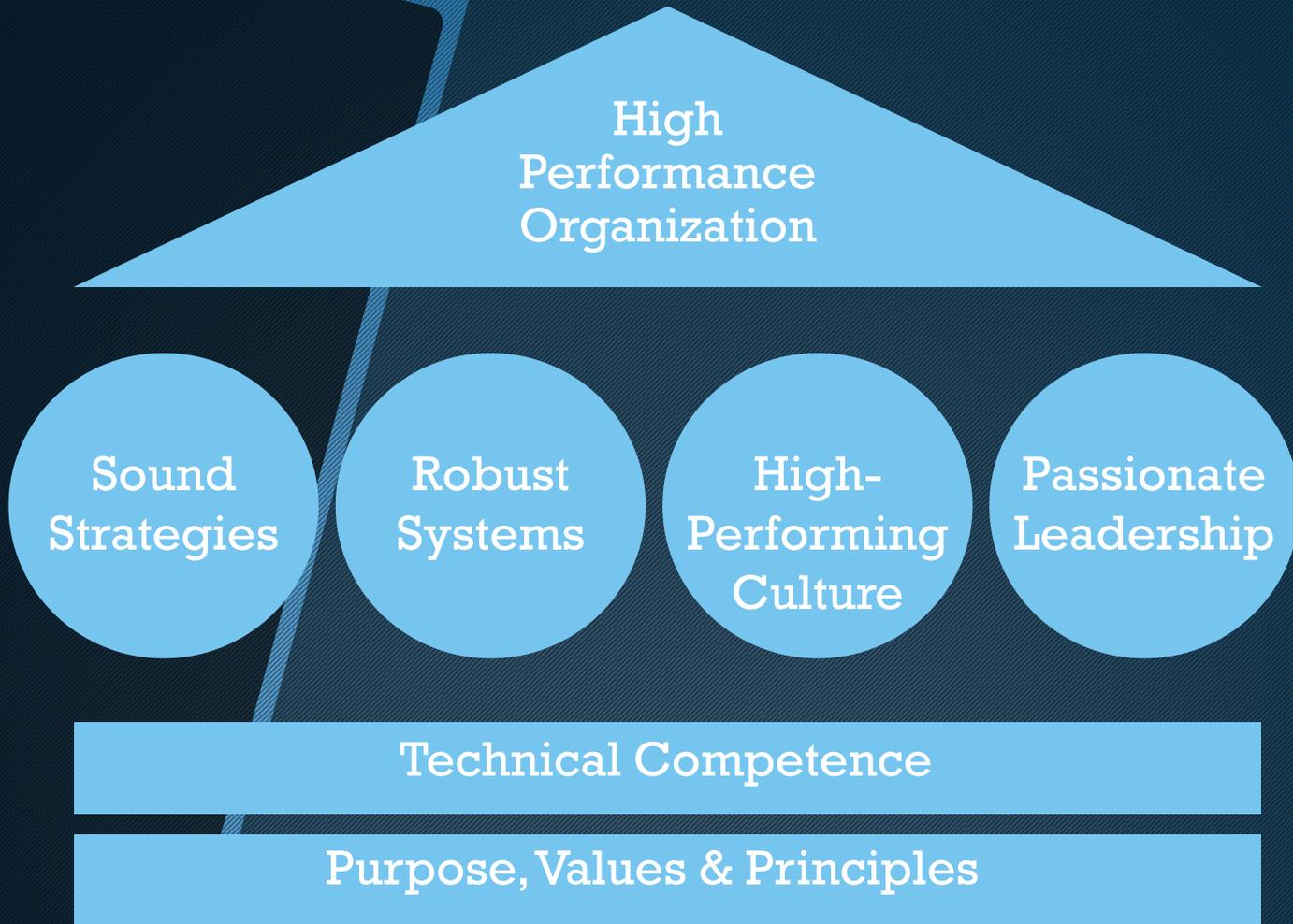


7

Ineffective strategies, systems, and culture are bigger barriers to achievement than the talents of people



High Performance Organization Model





8

There will be
some people in
the organization
who will not make
it on the journey



Organizations must **renew** themselves

- Recruiting and training are top priorities
- What differentiates those who succeed from those who don't?



Leading Change



P&G in 1980

P&G Today

Annual Sales

\$10 Billion

\$84.2 Billion

% Sales Outside U.S.

32%

64%

Billion-Dollar Brands

0

25

Stat cases/plant (mmsu)

7.7

26.2

Employees

61,200

~121,000

**Split-Adjusted
Stock Price**

\$2.32

~\$81.00



10

The true test of a leader is the performance of the organization when he or she is absent or after he or she departs

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