



A decorative graphic on the left side of the slide consists of a cluster of circles in green, yellow, and blue. Some circles contain white icons: a bottle, a cat, a spray bottle, a jug, a trash can, a stroller, a pitcher, and a cup. Other circles are empty and light gray.

Creating the Context

Matthew Berberich

RCIO Psychology Conference
October 2017

Contents

- ❑ Introduce Clorox and Myself..... ➤ 10min
- ❑ The Premise..... ➤ 5min
- ❑ Our Culture Journey..... ➤ 25min
- ❑ Challenge ➤ 10min
- ❑ Q&A..... ➤ 10min

<https://www.thecloroxcompany.com/>

Name Three of the Clorox Brands
...other than Clorox Bleach

<https://www.thecloroxcompany.com/>



1929-1930

Clorox diamond trademark on bottom.



1932

Additional solid lettering on shoulder and heel.



1933-1936

Content identification added. Additional solid lettering on shoulder and heel.



1931

Solid lettering on neck and shoulder.



1913

<https://www.thecloroxcompany.com/who-we-are/our-heritage/bottle-guide/>




Advantaged Portfolio

Over 80% of Sales From #1 or #2 Share Brands

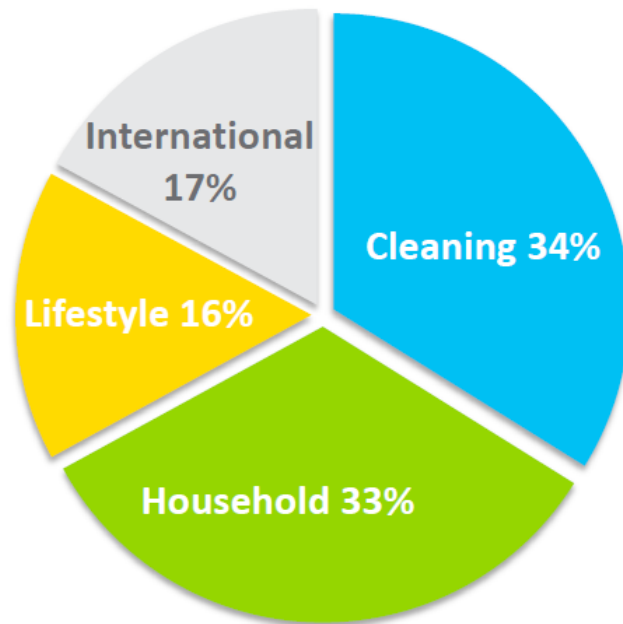
International : 17%

| | |
|----------------|----|
| Latin America | 9% |
| Canada | 3% |
| Australia / NZ | 2% |
| Rest of World | 3% |



Lifestyle : 16%

| | |
|---|----|
|  Hidden Valley | 9% |
|  BURT'S BEES | 4% |
|  BRITA | 3% |





FY17 Company Sales: \$6.0B



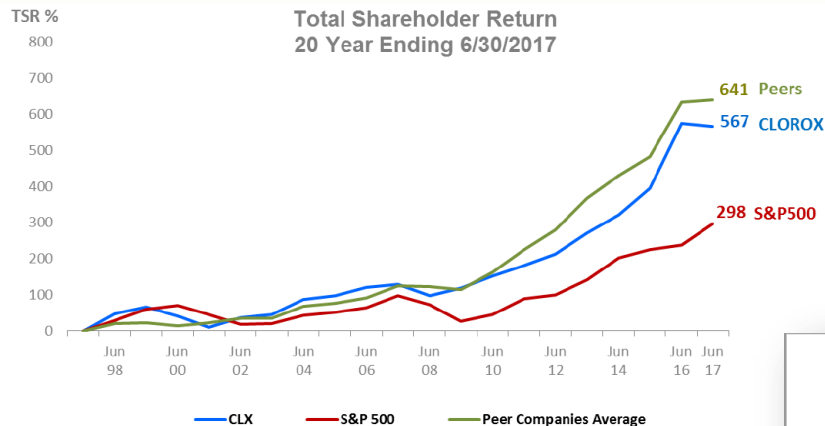
Cleaning : 34%

| | | |
|--|--------------|-----|
|  Pine-Sol | Home Care | 19% |
|  CLOROX | Laundry | 9% |
|  Commercial SOLUTIONS | Professional | 6% |

Household : 33%

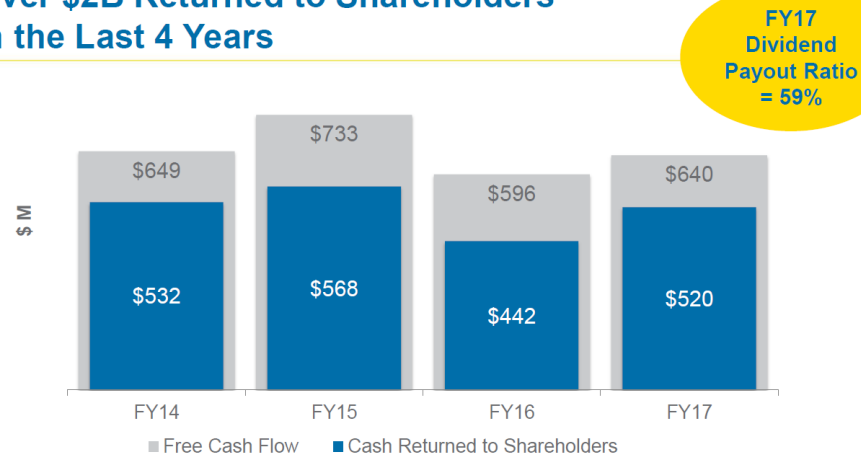
| | |
|--|-----|
|  GLAD | 14% |
|  KINGSFORD | 10% |
|  Fresh Step | 7% |
|  Renew Life | 2% |

Strong Shareholder Return



Peer includes 13 companies: CPB, KMB, K, RB-GB, KO, GIS, NWL, EL, PEP, CHD, CL, PG and HSY

Over \$2B Returned to Shareholders in the Last 4 Years



Free Cash Flow (a non-GAAP measure) represents Operating Cash Flow from Continuing Operations less Capital Expenditures. See reconciliation on our website (<https://investors.thecloroxcompany.com/investors/financial-information/quarterly-results/default.aspx>) and on slide 69.

2020 Strategy

Mission

- We make everyday life better, every day

Objectives

- Maximize economic profit across categories, channels, and countries
- Big-share brands in mid-sized categories and countries

Strategy

- Engage our people as business owners
- Increase brand investment behind superior value and more targeted 3D plans
- Keep the core healthy and grow into new categories, channels, and existing countries
- Reduce waste in work, products, and supply chain to fund growth

Strong Progress Across Strategy Accelerators



**3D Technology
Transformation**

New, Digital-Led Agencies



3D Innovation

Cutting Speed to Market by up to 50%



**Portfolio
Momentum**

Investing in Growth Brands



Growth Culture

FY17 Record-High Engagement

Winning the Right Way



Featured, Glassdoor Updates
**Clorox CEO Benno Dorer is #1 on Glassdoor's
 Highest Rated CEOs for 2017**
 June 20, 2017 | Posted by Glassdoor Team

Clorox Engagement Exceeds Global Benchmarks

People | Engaging our people as business owners and promoting diversity, opportunity and respectful treatment.



87%
 Employee Engagement
(vs. 79% Benchmark)¹

0.61
 Recordable Incident Rate
(vs. World-Class Level <1.0)²

25%
 Ethnic Minorities Among U.S.
 Nonproduction Managers
(vs. 22% U.S. Census Bureau)³

31%
 Ethnic Minorities Among U.S.
 Nonproduction Employees
(vs. 28% U.S. Census Bureau)³

49%
 Global Female
 Nonproduction Employees

41%
 Global Female
 Nonproduction Managers

30%
 Female Independent Board Members
(vs. 20% Fortune 500 Average)⁴

31%
 Female Executive Committee Members

¹<A> Reviewed by Ernst & Young LLP
 Footnotes: Data as of June 30, 2016, refer to http://annualreport.thecloroxcompany.com/_pdf/CLX-012_2016_Integrated_Report.pdf page 26

30+ year journey...



PASSION:
CREATE AN AWESOME
PLACE TO WORK FOR
EVERYONE

Matthew Berberich

Org Empowerment Ldr – WCO Coach
Global World Class Organization

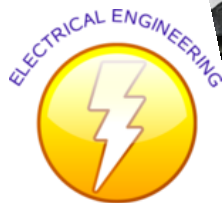
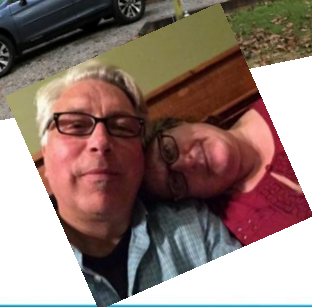
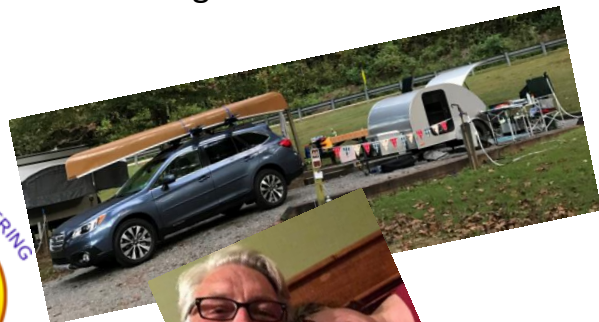
CULTURE



*...Two roads diverged
in a wood, and I—
I took the one less
traveled by,
And that has made all
the difference.*

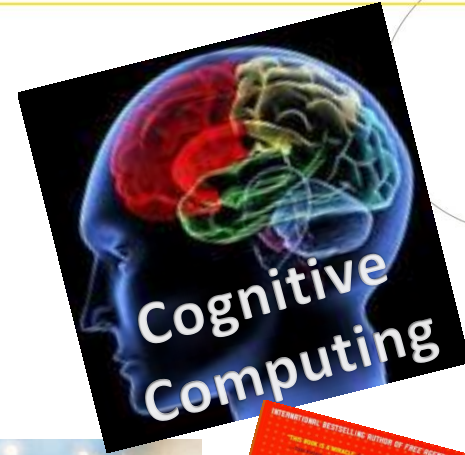
~ Robert Frost

“The Blessing Is Outside Your Comfort Zone”
~Ashley Hicks

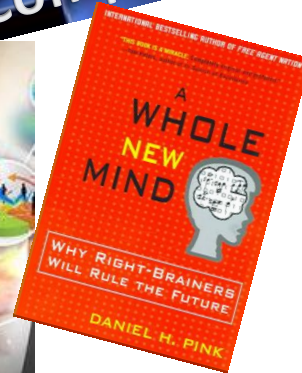




What are BIG changes coming at organizations??



The Future
Of
Automation



1/3in3



The Future

CHANGE

Change is no longer just “the way to the road...”
Change is “the road”

PREMISE

1. No one understands what to improve better than those closest to the work.
2. Business ownership at every level is essential to enable the future.
3. The future requires a learning culture with everyone solving problems never solved before.

The Stories

❑ Integration vs Intervention



❑ Releasing vs Restraining



❑ Practice vs Perfection



Integration vs Intervention



- ☐ Three plans lost in the woods
- ☐ Deconstructing silos
- ☐ Imbedding capability

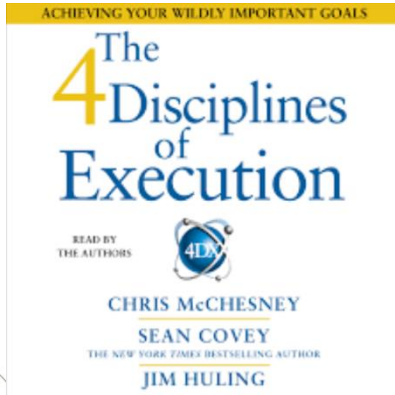
Continuum

Integration vs Intervention



Recognize and Appreciate “The Whirlwind”

[Video](#)



Releasing vs Restraining



- ☐ ... there was vulnerability & courage to lead... NOT
- ☐ ...there were high-level plans and there were execution plans
- ☐ Empowerment = “now you do it”



Releasing vs Restraining



Empowerment:

Leaders setting clear strategic direction for the future and then unleashing the full unique potential in each individual to help achieve that future.

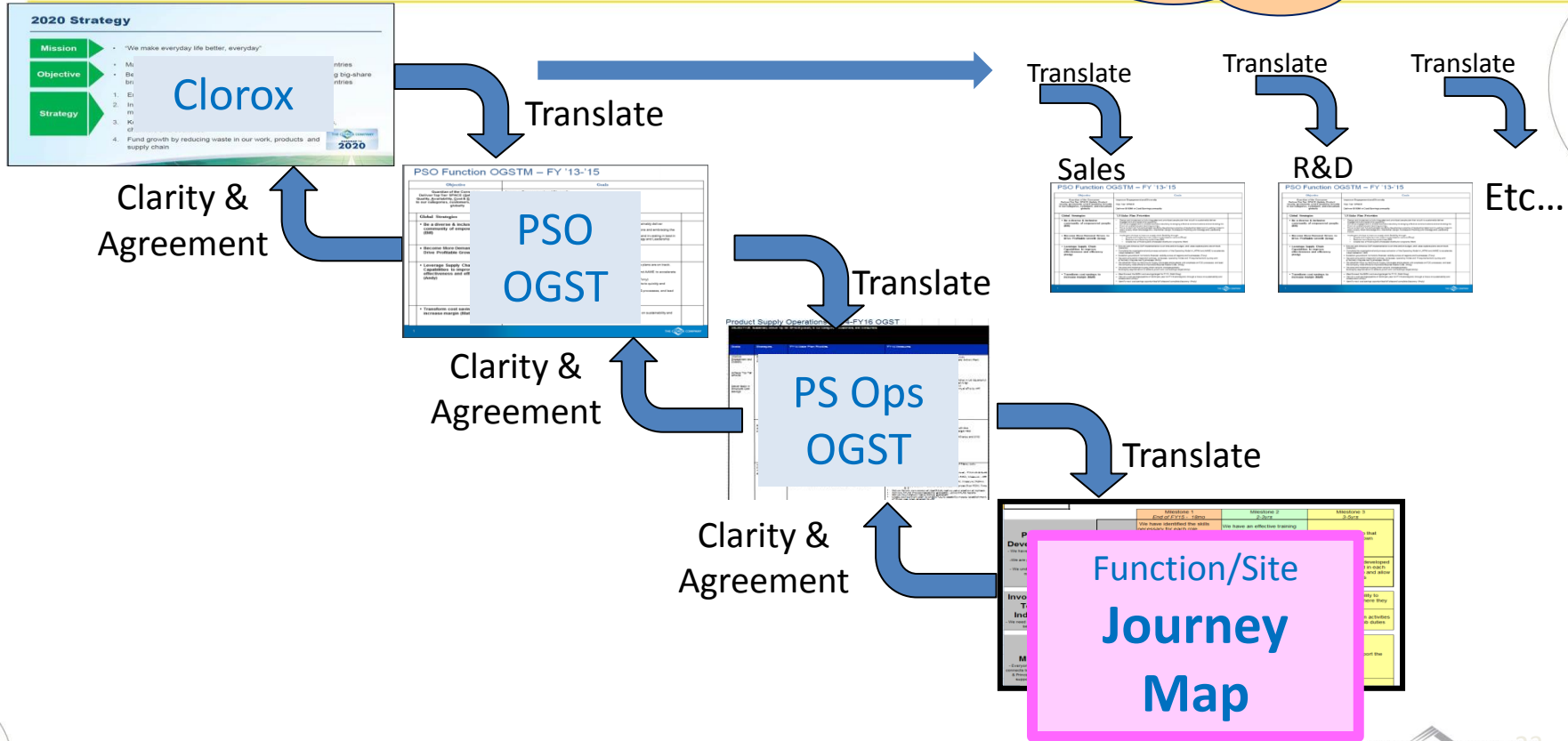
Releasing vs Restraining



Act Like an Owner

Video (Story)

Strategy Deployment Model



Strategy Deployment & Review

| | | Milestone 1 End of FY18 - 18mo | Milestone 2 3-2019 | Milestone 3 3-2020 |
|--|---|---|---|---|
| People Development | A | We have identified the skills necessary for each role | We have an effective training program | We have a process so that people can own their own development |
| Involvement Team & Individual | A | We have enough people in each role to fill future openings | We have a process so that people can own their own development | We have a process so that people can own their own development |
| Mission | A | Plant goals don't compete (Team vs. Plant vs. Individual vs. Share) | Plant goals don't compete (Team vs. Plant vs. Individual vs. Share) | Plant goals don't compete (Team vs. Plant vs. Individual vs. Share) |

Journey Map

Review Annually

Choices

Current Fiscal Year
Desired Outcomes

| Theme | Sub-Theme | Priority | Milestone 1 End of FY18 Outcomes | Milestone 2 | Pillar(s) Driving | Q1 | Q2 | Q3 | Q4 |
|---------|-------------|----------|-------------------------------------|------------------------|------------------------|----|----|----|----|
| Theme 1 | Sub-Theme 1 | A | Enter aligned comments | Enter aligned comments | Enter aligned comments | C | C | C | C |
| Theme 2 | Sub-Theme 2 | A | Enter aligned comments | Enter aligned comments | Enter aligned comments | C | C | C | C |
| Theme 3 | Sub-Theme 3 | A | Enter aligned comments | Enter aligned comments | Enter aligned comments | C | C | C | C |

Master Plan

Review Quarterly

Clarity & Agreement

PDCA



Action Plans

Review Monthly

| | | |
|-----------|-----------|-----------|
| Translate | Translate | Translate |
|-----------|-----------|-----------|

Translate

Translate

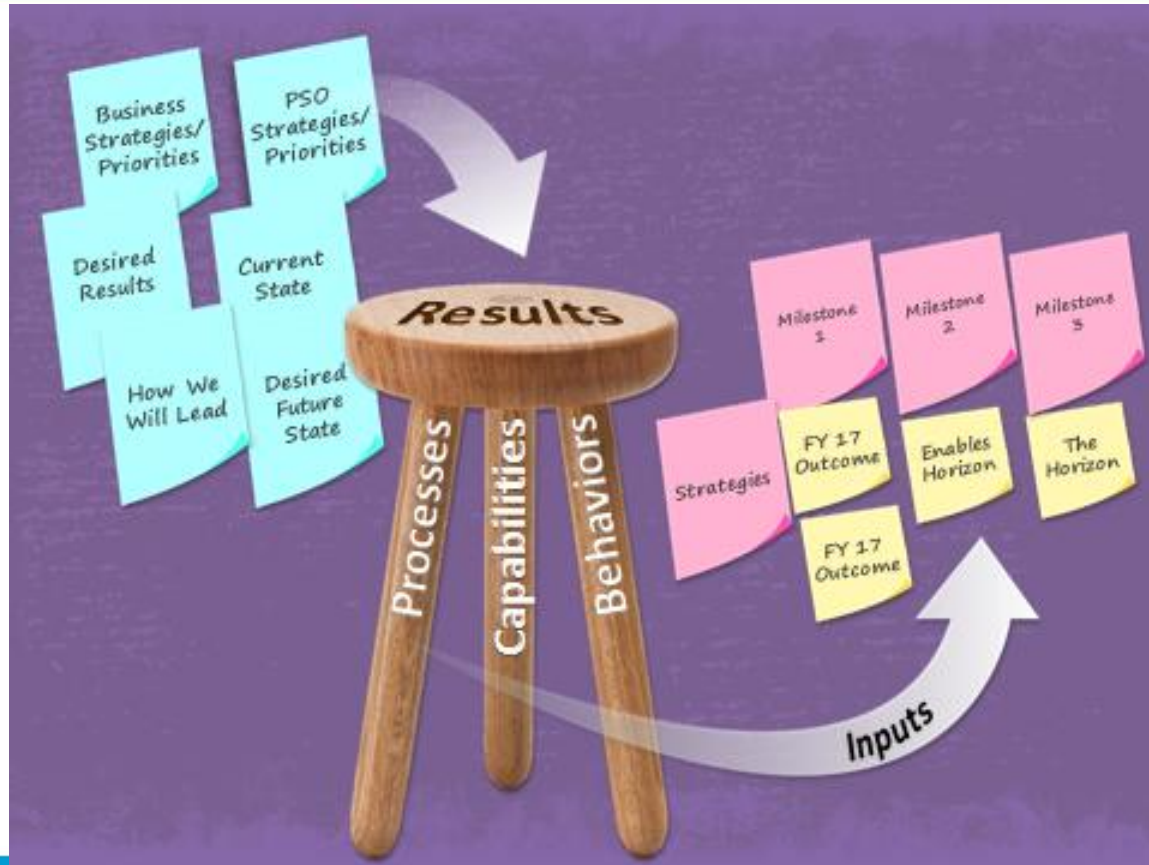
Translate

Clarity & Agreement

Individual

Review through ongoing conversations

Releasing vs Restraining



Clonox
2020

LEADSHIP BEHAVIOR

PSO
OGST

PSOPs
OGST

DOT
STRATEGY
MS's

SITE
JOURNEY
MAPS

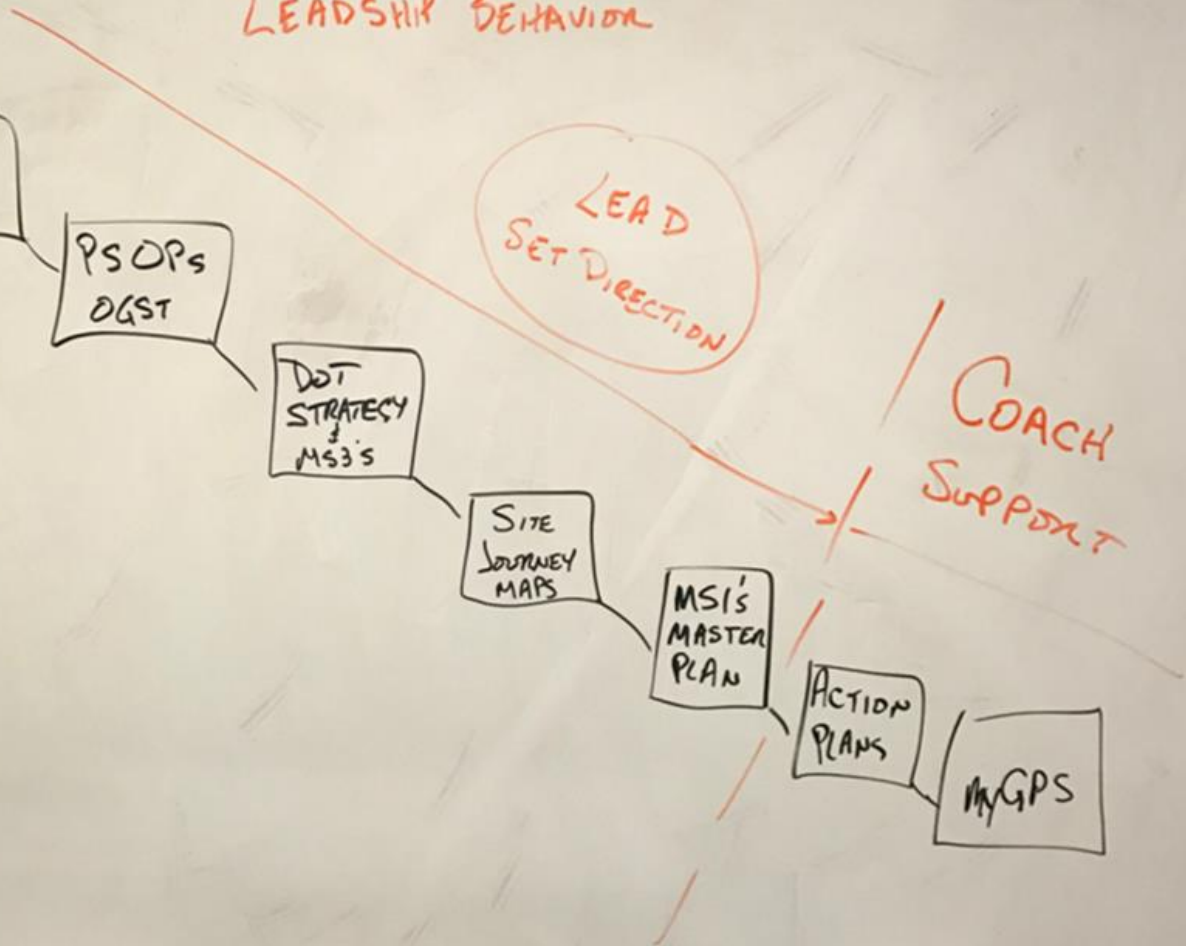
MS's
MASTER
PLAN

ACTION
PLANS

MyGPS

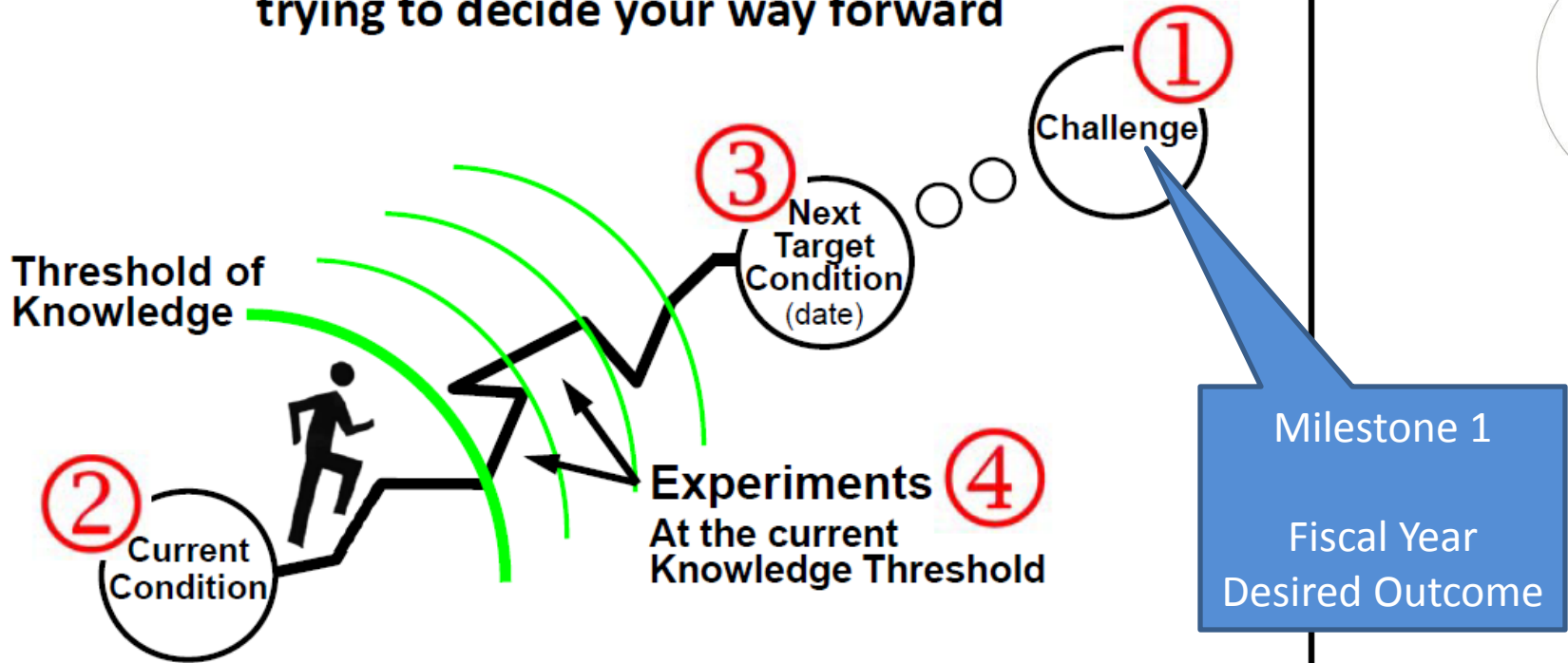
LEAD
SET DIRECTION

COACH
SUPPORT



THE IMPROVEMENT KATA PATTERN

Experiment your way forward, instead of trying to decide your way forward



Releasing vs Restraining



***Ensure "Challenge" can be articulated*

- 1) What is the **Target Condition**?
- 2) What is the **Actual Condition** now?
———(Turn Card Over)———>
- 3) What **Obstacles** do you think are preventing you from reaching the target condition?
*Which ***one*** are you addressing now?*
- 4) What is your **Next Step**?
(Next Experiment) *What do you expect?*
- 5) How quickly can we go and see **what we have learned** from taking that step?

You'll often work on the same obstacle with several experiments

Back of card

- 1) What did you plan as your **Last Step**?
- 2) What did you **Expect**?
- 3) What **Actually Happened**?
- 4) What did you **Learn**?

Return to question 3 - - - - ->

Releasing vs Restraining



Kata Story at Bosch “Gemba Walks”

[Video](#)

Practice vs Perfection



- ☐ Practice Makes ~~Perfect~~ Progress
- ☐ Org Patience → Org Momentum
- ☐ Diving deeper into culture vs climate

Summary

❑ Integrate vs Intervene

- Orient culture work to the key business needs
- Get rid of silos

❑ Release vs Restrain

- The power of vulnerability (recognize it starts with you)
- Clear direction enables empowerment

❑ Practice vs Perfection

- “Learning by doing” enables pace

Summary

Learning is way more important than knowing!

Challenge

1. Write down one take-away that you'll think about and explore further after this conference.
2. Verbalize it to your neighbor



References

- Clorox slides used in this presentation: <https://investors.thecloroxcompany.com/investors/company-information/investor-presentation-quarterly/default.aspx>
- Brene Brown's work has been a tremendous help to me personally: <http://brenebrown.com/> My favorite is an audible version of her 6-1/2hr workshop I've listened to at least 6 or 7 times (...and started listening to again recently as courage and confidence slips.) It covers her first three books [The Power of Vulnerability](#).
- The book "Four Disciplines of Execution" – Concepts of Whirlwind and Wildly Important – This is Forbes article about the book <https://www.forbes.com/sites/danschawbel/2012/04/23/the-4-disciplines-of-business-execution/#2f714d817a2e>
- Tim Kuppler's culture book that he shared with me almost a decade ago and his network of resources has guided my thinking and framework for culture work . <http://www.cultureuniversity.com/>
- Mike Rother is originator of Kata – His website provides tons of free information on Kata: <http://www-personal.umich.edu/~mrother/Homepage.html>
- Bob Edwards has guided us on our HOP journey: <http://hopcoach.net/>
- Jerry Mabe has guided us on Leader as Coach: <http://www.rightpath.com/site/>
- Center for Creative Leadership ["Making Leadership Happen"](#)