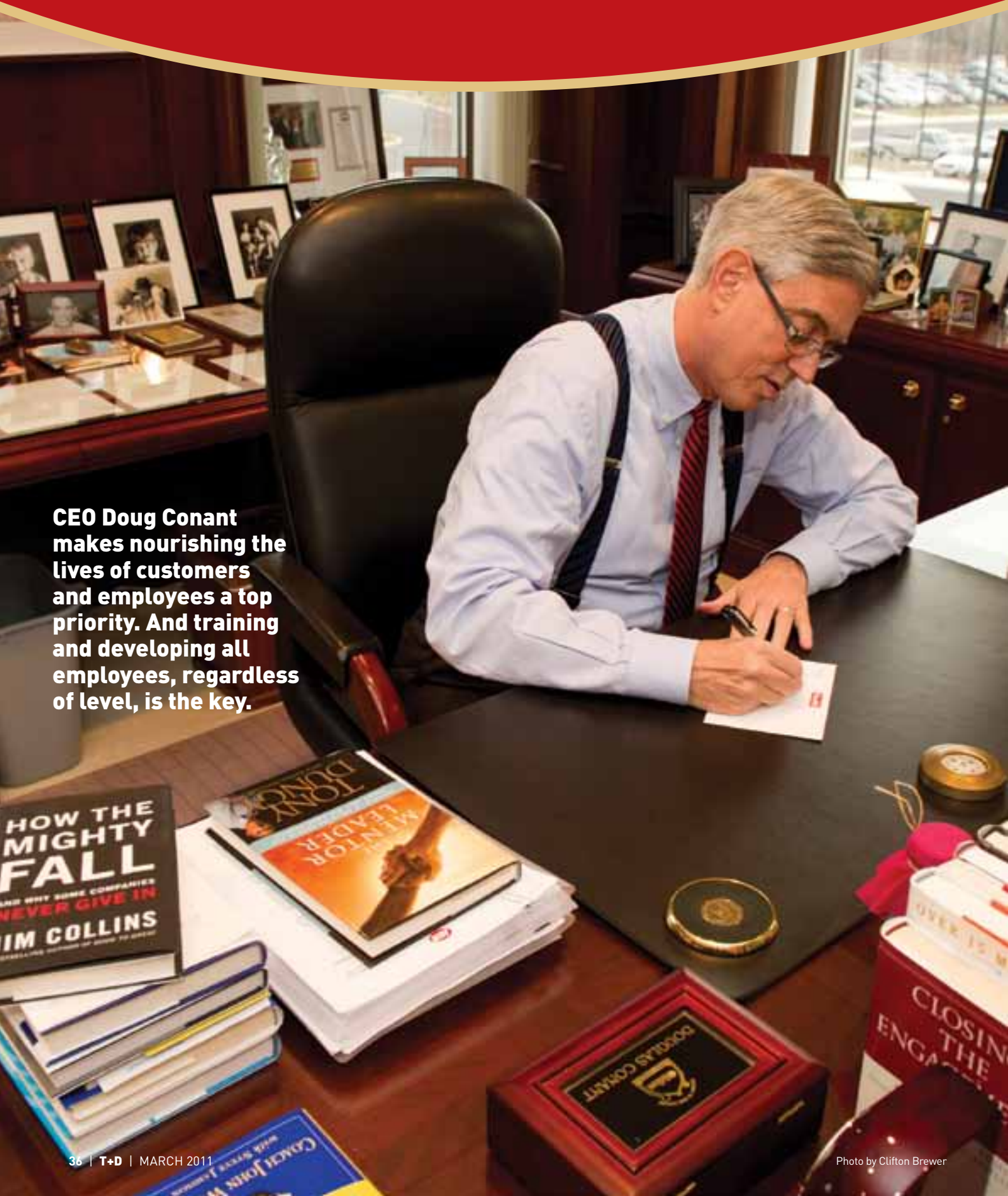


**CEO Doug Conant makes nourishing the lives of customers and employees a top priority. And training and developing all employees, regardless of level, is the key.**





# M'm M'm Good.

Learning and Performance at



By Tony Bingham and Pat Galagan

Campbell Soup Company has been a fixture in American pantries for more than 140 years. While it is the world's largest soup maker, it also boasts large and growing businesses in healthy beverages anchored by its V8 brand, and in baked snacks with Pepperidge Farm and Arnott's in Australia. The company's products are available in more than 100 countries around the world, and Campbell is currently expanding into the soup-loving nations of Russia and China. In the past 10 years, Campbell has refined its product offerings and made them more convenient, healthier, and more substantial.



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Standing behind the company's success today is another story. While Campbell's ubiquitous red and white soup can became an icon of the Pop Art movement in the 1960s, the waning days of the 20th century saw quite a different picture for the company. Campbell's management team at the time had fallen into very difficult financial straits and opted to cut quality, reduce advertising, and trim innovation—the lifeblood of any consumer packaged goods company—to drive short-term results. While the company was able to produce solid earnings, it was an unsustainable model.

Campbell needed a new leader with a vision to guide it into the 21st century. In January 2001, Doug Conant, a veteran of Kraft and Nabisco with a history of rejuvenating brands, was brought in as president and CEO. He has led a transformation to revitalize the company, making it not just a market success but a company that cares for and develops its employees. In 2009 and 2010, the company earned rankings on lists of Best Places to Work, Most Ethical Companies, Best Employers for Healthy Lifestyles, Best Corporate Citizens, and Best Global Brands, to name just a few.

We spoke with Conant at the company's world headquarters in Camden, New Jersey, about that rise to excellence.

**Q** When you came on as CEO in 2001, your self-described mission was to take a “poor-performing” company and make its performance “extraordinary” within 10 years. Analysts credit you with steering the company toward a promising future in a challenging sector, and investors have done well over most of the last nine years. What did that turnaround entail?

**A** Campbell is an iconic company. Whenever I meet someone, they share a story about Campbell's soup. The company holds a special place in American culture, partially because of the role we've played for more than a century in kitchens around the United States. We also have to tip our hats to Andy Warhol, who catapulted the brand into a pop culture icon.

Although we were an iconic company when I got here 10 years ago, we were a poor-performing company. We were performing badly in the marketplace and in the workplace. In 2000, the company lost about 54 percent of its market value in one year. The market totally lost confidence in its ability to compete. The cover of the company's annual report in my

**One way we tangibly demonstrate the Campbell promise of valuing people is through training and development. We've been working to raise our game in training and development for a whole decade, and we'll continue to do it. It's a small price to pay.**

first year as CEO sums up where we were: It's not enough to be a legend. Every legend must be renewed.

In the workplace, we had a real conundrum. As we were struggling to meet short-term goals in the marketplace, management made a lot of decisions to get through the night that violated the sense of trust employees had with the company. People were let go. Budgets were slashed and burned. It seemed like the company was trying to succeed at the expense of the employees, not because of them.

When I got here, we started using Gallup surveys to measure employee engagement. In the first survey, we had an employee engagement ratio that was roughly 1:1. We had 20,000 employees; there were 10,000 who were really engaged in doing the work and 10,000 who were looking for jobs. As a result, we had 10,000 employees trying to carry the entire company.

I firmly believe that you can't win in the marketplace until you start winning in the workplace, and so when I got here, we created what we call our “Campbell Success Model.” It says we're going to focus on winning in the workplace, which will enable us to win in the marketplace, which will enable us to win with the community and make a better world. And we must do all of that with integrity—that last point is non-negotiable.

As Jim Collins says in *Good to Great*, you can get the right people on the bus, but they have to be in the right seats and working together to go from good to great. We weren't even good. We needed to go from bad to great.

Any transformation requires the talents of a top-notch leadership team. I've spent virtually my entire career in the food industry and worked hard at developing a network. When I accepted the job as CEO, I immediately set out recruiting my team. These senior leaders helped get Campbell back on the right path.

Over the first three years, we established some principles about how we would operate. The first principle is what we call the “Campbell Promise.” It's about Campbell valuing people and people valuing Campbell. As a company, we need to tangibly demonstrate to our employees that we value their agenda before we can ever expect them to value our agenda. It simply doesn't work any other way.

During the next three years, we committed to revitalizing the environment and to establishing a leadership profile that inspired trust. To do that, we had to let go 300 of our top 350 leaders. If they weren't able to get with the game plan within those three years, they could leave of their own volition or we would ask them to leave. We then promoted 150 people from within—people who were dying to contribute in a bigger way but who were stuck under leaders who were not fully engaged in their work.

We also found 150 people from outside the company who bought into the notion that winning in the workplace was the foundation of winning in the marketplace and connecting with employees in special ways.

As we did this, employee engagement improved every year. With time, the ratio of engaged to disengaged went from slightly more than 1:1 to 23:1, which Gallup said was one of the highest they had ever seen. For perspective, the Gallup benchmark for world class is 12:1. Today, we continue to have world-class levels of engagement, despite the economic downturn.

## Q | What role did the development of the company's talent play in the progress you made?

A | As we got the right leadership profile in place, we started to rebuild training and development in a meaningful way by crafting some foundational programs for leaders because people will join a company but they will leave a leader.

We created our “Campbell Leadership Model” [Figure 1] and made it the foundation for internal leadership development. It's baked into how we evaluate all our leaders. We evaluate people on the “what” and the “how”—what they do (their objectives) and how they achieve those objectives. And we evaluate them on the six expectations of our leadership model: inspire trust, create direction, drive organization alignment, build organization vitality, execute with excellence, and produce extraordinary results.

We also created a set of principles connected to three values: character, competence, and teamwork. If you demonstrate those three values in a meaningful way, you inspire trust, and that connects to the Campbell Leadership Model. The values produced a tapestry of principle-laden notions for Campbell that set the stage for what we needed to do.

Additionally, we started training and development in earnest and created Campbell University, our training and development program for all employees.

I have a personal passion for training and development, and I started the “CEO Institute.” It's a two-year program that

I teach with a consultant and friend, Mette Norgaard, who is co-authoring *TouchPoints*, our book about how to address the challenge of leading in the interruption age. Along with Nancy Reardon, our chief HR and communications officer, we've created a two-year experience for our high-potential senior leaders to raise their leadership profile.

We give people a clear idea of what true north is at Campbell in terms of leadership and what we expect. But we're not naive. We believe that all models are wrong, but that some are useful.

Why are they wrong? Because they're not informed by the individual and by who you are. We're each a creation of our environment—how we were raised, our wiring, our DNA—and the model that works for me is not going to be exactly the model for you. You've got to achieve a level of authenticity where you're at one with your leadership model. The CEO Institute is about helping our people create their own leadership models. Our hope is that they'll create a model that will be in harmony with the Campbell model. If that's the case, they'll grow and flourish here and do it in a way that will be deeply fulfilling. After two years, leaders should have built a platform from which they can inspire others and work with their teams to help them create their own models and connect them to the Campbell model.

I don't think you just send people to courses. It's not enough. As people go through our individual development planning process, they draft a development plan with their managers. Virtually everyone in the company has at least one or two development issues they want to work on. It's the notion of Campbell valuing people, and that means everyone.



I think if you really value training and development, you have to lead by personal example. If you value learning, you've got to demonstrate a commitment to helping people learn, so I spend a lot of time on development plans with our executive population. I also think you have to demonstrate an appetite for learning. These books in my office aren't here by accident. I love to read, and I love to learn. I love to let people *know* that I'm learning. I think you have to model learning behavior and commitment to training and development. As Gandhi said, you've got to be the change that you want to see. So if we're going to compete and win, we've got to be a learning culture and raise our game in training and development all the time.

**Q** | You're working on a book about leadership—*TouchPoints*—that will be published by Jossey Bass in 2011. What are some of the most important leadership lessons you've learned in your years as a CEO?

**A** | My co-author Mette and I are trying to capture the essence of what leadership is in the interruption age. We've been working this concept for over five years now. We believe that you can create extraordinary leadership experiences in the smallest of moments, what we call *touch points*. For example, in any given day there are countless opportunities for me to make a difference with the people with whom I interact. If I listen carefully and respond properly, those people will get information that will be essential to them. This job [of CEO] ultimately comes down to what you do in those moments with those people.

This notion was reinforced to me very dramatically about a year ago. I was in a serious automobile accident. After a long surgery, I woke up in intensive care, and my wife was there. She said, "Don't worry; I'm here." Just four words, but they changed how I felt and how I started my recovery process. It was what I needed to hear in that moment.

Several times a day, the nurses would follow a very specific protocol and ask, "How is your pain?" And I had to tell them on a scale of 1 to 10. That question assured me that the nurses were tuned in to me and were there to help me. Just like the assurance that my wife was there, those conversations were the lifeline to my recovery.

Moment by moment, day by day, I had to recover, and those little moments could either lift me up or let me down. My friend Bill George, in his book, *True North: Discover Your Authentic Leadership*, talks about crucible moments. My crucible moment was that car accident and the recovery

process that caused me to reflect on my life. I came out of that experience with a deeper desire to create moments for other people to help them deliver better business results and become better leaders. So *TouchPoints* was born out of the belief that you can do extraordinary things in the smallest of moments, and, in a strange way, my car accident reaffirmed for me the power of that idea.

We tend to make leadership a big, grand notion, but it can be as simple as asking someone, "How is your pain?" or assuring them, "Don't worry; I'm here." This is an incredibly approachable notion for everyone, but to do it well takes work. The nurses who were well-trained and had hundreds of hours of practice knew what to do with my answers. The ones who weren't prepared for that moment created anxiety. The idea of touch points is all about trying to help people find a way to flourish in the moment.

**"Are there people who are born leaders? I don't think so. There aren't any born doctors or born writers. Leadership is something you have to work at if you aspire to be really good at it. What can you be good at if you don't work at it?"**

**Q** | How important is innovation for success at Campbell, and how do you foster innovation in a very mature company (founded in 1869) that has become an icon?

**A** | We exist to meet the needs of the people who buy our products. Our goal is to meet their needs faster, better, more completely, and more uniquely than anyone else on the planet. If you're a consumer-facing business, as we are, you innovate or you die. It's very Darwinian.

Innovation demands paradigm shifts. The most important thing for creating innovation is to create a culture and environment that inspires trust, where people will venture out from comfortable to more disruptive thinking. A key part of our leadership model is to inspire trust. It's the one thing that changes everything. As people feel a higher level of trust and feel more engaged, they are able to innovate more naturally and are willing to take smart risks. It becomes part of the authenticity of the culture. But all roads to innovation lead back to inspiring trust. If you don't have trust at a high level, you can't count on having a continuous stream of innovation.

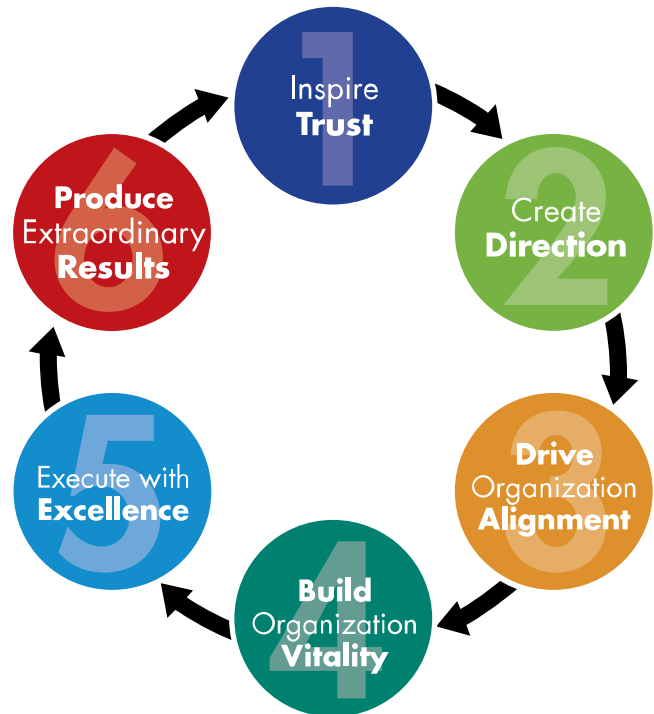
## Figure 1 | Campbell's Leadership Model

- Inspire trust
- Create direction
- Drive organization alignment
- Build organization vitality
- Execute with excellence
- Produce extraordinary results

At Campbell, we define leadership by "Our Leadership Model," a value-driven, character-based circle of behaviors with six key steps. Each step is intimately connected to the other, forming one larger circle that represents the model in its entirety.

It starts with the ability to inspire trust and earn respect. Once trust is built, the leader has the credibility to create direction for the team. The next challenge is to drive organization alignment in such a fashion that the team is organized to execute the agreed upon direction. The leader then builds organization vitality, motivating and inspiring the team to execute with excellence and produce extraordinary results, as they focus on meeting or exceeding the desired expectations. When the desired performance is delivered, it inspires more trust and, like a flywheel, it becomes a continuous loop.

To achieve our mission, "Together We Will Build The World's Most Extraordinary Food Company," we must each consistently demonstrate these leadership behaviors.



**Q** Like most companies in the packaged food market, Campbell struggled during the Great Recession. How did that affect the training and development budget?

**A** This has been the most challenging economic environment I've seen in my 35 years in business. We've actually done pretty well during the recession. While sales have been flattish, we delivered a profit of nearly \$800 million in fiscal year 2009 and more than \$800 million in fiscal year 2010. I am clear-eyed about our performance, and we have some challenges we need to overcome, particularly with top-line growth. But I am confident in our ability to lift our game on this front.

In terms of training and development, we've maintained our commitment to training and development. In fact, in June 2010, we completed a major expansion of our campus with the "Campbell Employee Center." Part of that expansion included a dedicated space for Campbell University, our training and development center. We now have a state-of-the-art center with classrooms and break-out rooms where

training and development takes place on a continuous basis. Importantly, we now have the capacity to do virtual training from the center to most of our locations around the world.

All of our employees still have a training agenda. Our goal is that together we will build the world's most extraordinary food company by nourishing people's lives everywhere, every day. That means nourishing our employees' lives, too. One way we tangibly demonstrate the Campbell promise of valuing people is through training and development. We've been working to raise our game in training and development for a whole decade, and we'll continue to do it. It's a small price to pay.

We find that the more we provide employees in terms of training and development opportunities, the more engaged they become. And the more engaged they become, the better they perform in their roles and the better the company performs in the marketplace. There's this wonderful flywheel effect. The more we help them with their training and their development, the better they perform, the more fulfilled they are, and the better we get at delivering training and development. You can't grow if you don't continuously raise the game there.

If you're cutting the training budget, you don't have much to work with as a company. You've got to question your viability. We've got to invest to help people be their very best.



Becoming the world's most extraordinary food company requires that we attract, retain, and develop the best talent in the food industry. There's just no other way to do it. It has to start with the people.

**Q** | Recessions demand quick responses. What changes did you make in your approach to leadership development as a result of the recession?

**A** | The recession hasn't affected us in that way. Developing leaders is a strategic imperative. If we want to build an extraordinary food company, we need an extraordinary cadre of leaders. And so our commitment to leadership has got to be paramount. If anything, we've placed more of a priority on leader development during the recession.

One thing that I've done personally is to become more visible to the organization. Every time I have a free 30 minutes, I put on my walking shoes and walk the halls. I try to get in 10,000 steps a day for my health, and it gives me the chance to see people, speak with them, and create the touch points that are so critical when the world feels a little unstable to people. In challenging times, leaders need to be seen. It is a small but meaningful change I've made.

**Q** | You're known to be a voracious reader, often reading up to four hours a day.

**A** | I love to read, and I read very broadly. I love wisdom literature. I also love Louis L'Amour westerns, where life is simple: there are good guys and bad guys. My favorite quote from Louis L'Amour is, "He never knew when he was licked, so he never was."

My interest in wisdom literature of the ages dates back to when I majored in political science at Northwestern, and I became fascinated with American presidents and started reading biographies. Then in the next 35 years, I broadened into books of all kinds. I share my books with people. Something will come up in a conversation with someone, and I'll lend them a book that relates to that topic. I usually have about 15 books circulating.

**Q** | If you were to recommend some books for essential reading for training and development professionals, what would they be?

**A** | My favorite business book still is Steven Covey's *Seven Habits for Highly Effective People*. I like his notion of going from dependent, to independent, to interdependent, and having a proactive mindset for figuring out what's important. His ideas have found their way into our CEO Institute training.

Another book that rings true for me in today's environment is *Level 5 Leadership: The Triumph of Humility and Fierce Resolve*, Collins' work around level-five leadership, especially the idea of humility and fierce resolve. Fierce resolve is about never giving up, recognizing that the world is changing and there's so much to learn. To me, Collins is somebody who's always learning and growing, and I think he models the level-five leader.

Two of my favorite nonbusiness books are *The Poetry of Robert Frost* and *Don Quixote*, because if you are really an aspirational leader, you tilt at a lot of windmills.

**Q** | You've worked in the food industry for many decades and seen many changes. Given changing attitudes and expectations among global consumers and among employees, what leadership attributes would help the food industry in the future?

**A** | I think that the most important thing for all leaders of our time in any industry is an abundance mentality, and I don't see enough of it. You *can* build a better company and build a better world at the same time. It's not either/or. That's a scarcity mentality. Collins would call it "the genius of the and" versus "the tyranny of the or." I think leaders sell themselves, their organizations, and their countries short when they choose one over the other. It's not one or the other. It's both.

As a leader, you have to set high standards. I want to act ethically, and I want to win. It's not, "Do I want to win in the marketplace, or do I want to win with integrity?" It's not about being Gordon Gekko, [the character from the Oliver Stone film *Wall Street*] who said "Greed is good." I think people hunger for leadership that embraces the genius of the "and" instead of saying, "We can't be socially aware because it's not good for business."

My single biggest challenge for leaders of today is to bring an abundance mentality to each interaction they have with people. If you bring that mentality to those moments when somebody needs your help, you start to transform lives every day.

## Q | Do you think that leaders are born or made?

**A** | Are there people who are born leaders? I don't think so. There aren't any born doctors or born writers. You've got to work at it. Admittedly, some of us have to work harder at it than others. I think it's important for leaders to be reflective and have points of view and principles for creating high-performance organizations. I don't think this is a seat-of-the-pants exercise. Leadership is something you have to work at if you aspire to be really good at it. What can you be good at if you don't work at it? People spend more of their waking hours at work than anywhere else in their lives. You spend more time at work than you do with your family. I treat my work and my growth as a leader as a craft. It's sacred ground. I go back to one of Covey's seven habits—sharpen the saw. You must work at being a great leader.

## Q | Speaking of work, how is the experience of writing a book?

**A** | It's a daunting task. Writing a book is hard work. I have many friends who've written books—Ram Charan, for example, who was one of my professors at business school. He pops out books like there's no tomorrow, but for me, it's daunting. I'm a handwriting guy. I send out 20 handwritten notes a day. Writing by hand is how I think. I can't do that with a computer. Fortunately, while we have fully shared in developing the content, Mette has taken the lead on the manuscript, and I have taken the lead on the marketing.

Part of the program for the CEO Institute is to write handwritten leadership letters and sign them. I believe I'm creating a different conversation in an exchange that is handwritten. I want to make it more personal. That's a big part of what we talk about in *TouchPoints*—the imperative in leadership of making it personal. If you don't make it personal, you can't aspire to greatness. Nothing great was ever achieved absent a

### Doug Conant's Recommended Reading List

*Seven Habits of Highly Effective People* by Stephen Covey

*Good to Great* by Jim Collins

*True North* by Bill George

*The Power of Full Engagement*  
by Jim Loehr and Tony Schwartz

*The Definitive Drucker* by Elizabeth Haas Edersheim

*The Art of War* by Sun Tzu

*Every Business is a Growth Business*  
by Ram Charan and Noel Tichy

*Still Surprised: A Memoir of a Life in Leadership*  
by Warren Bennis

*The Poetry of Robert Frost* by Robert Frost

*Don Quixote* by Miguel De Cervantes

personal commitment to it. So if you aspire to being an extraordinary company, you have to make it personal.

At the same time, a CEO has to be incredibly tough minded. People make the mistake of thinking that if you're thoughtful, tenderhearted, and caring, you're not tough minded. This is another example of "the genius of the and." You have to be tough minded on standards and tenderhearted with people. It's the only way you can create a sustainable model. If not, the business world will swallow you up. So you have to do both, and you can.

**Doug Conant** was interviewed by Tony Bingham and Pat Galagan.  
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Doug Conant will be a keynote speaker at the 2011 ASTD International Conference and Exposition in Orlando, Florida, May 22-25, 2011.

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