



“Leave the crown in the garage”: What I’ve learned from a decade of being PepsiCo’s CEO

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12,666



1347



4,109

I took the helm of PepsiCo in 2006 and I feel so privileged and humbled for the role I’ve had the chance to play. I’ve faced many challenges over the years – as we all do – but with inspiration from family, friends, colleagues and other sources of wisdom, I’ve learned many lessons along the way.

Though it would be impossible to name all the lessons I’ve learned, I’ve come up with seven critical lessons for running a Fortune 50 company in the 21st century. These lessons are not restricted to budding CEOs. If you’re a recent college graduate looking for career advice, or simply a student of life looking for inspiration, I hope you’ll find these lessons equally useful.

1) Everyone needs a vision

As it is written in the Book of Proverbs, “Where there is no vision, the people perish.” The same can be said of any institution.

When I came on as CEO, I didn’t want to completely change the direction of the company. But I also believed we needed to bring a new sense of meaning to the work we did every day. We called it, “Performance with Purpose.”

I knew that if we wanted to continue to be successful in the 21st century, we needed to adapt our business to consumers’ changing preferences and offer them healthier food and beverage options. If we wanted to lower our energy and packaging costs and get a



sustainable. If we wanted to continue recruiting and retaining world-class talent, we needed to meet the changing expectations of a new generation of employees.

It was a philosophy that also pointed to a larger idea that's fundamental to how I see the world – the idea that companies don't exist in a vacuum. We should be responsive to the needs of the world around us. Performance with Purpose is our way of doing that.

So, that's lesson number one: Come up with a vision that not only reflects the direction of a company, but moves people, inspires people to make it a reality.

2) Think hard about time

A while back, The New Yorker published a great cartoon. The caption read: "Yes, the planet got destroyed. But for a beautiful moment in time, we created a lot of value for shareholders." It not only made me laugh, it made me think about how important it is to balance short-term and long-term interests. So, my second lesson is to think hard about your time horizon.

By embracing Performance with Purpose, we were, by necessity, focusing not just on the short-term, but the long-term. Not just on the level, but the duration of returns.

When you focus on the level of returns alone, you're producing returns that, however high they may be in the short-run, are not sustainable.

At PepsiCo, we've adopted a different strategy, one that we believe balances both the level and duration of returns. As a result, we've delivered good returns that have grown consistently and sustainably over a long period of time.

3) Ensure that culture change sticks

The focus of my third lesson is the importance of persuasion. Right after I announced Performance with Purpose, I paid a visit to the Frito team in Plano, Texas. They were my first recruits. I armed them and others at the company with the messages they needed to help persuade the rest of the organization to embrace Performance with Purpose.

Not every meeting was successful. In fact, I faced a lot of resistance. Critics told me to forget all this nutrition stuff and just focus on selling more chips and soda. It was tough hearing from them. But alongside these critics also emerged a community of supporters.

So we stuck with it and teamed up with others in the industry to create the Healthy Weight Commitment Foundation. And together, we removed 6.4 trillion calories from our food and beverage products, surpassing our pledge by more than 400% three years ahead of schedule.

Today, Performance with Purpose has become ingrained into our culture, which never would have happened without community support. It's crucial, not just to have a clear message, but to have a critical mass of supporters who can help you deliver it.



My fourth lesson is about perhaps the most important part of persuasion: listening. There are always people with ideas for how we can do things differently – ideas we may not want to hear. But I’ve found that when I’ve been willing to listen, I’ve been better for it, as a CEO and a person.

We get feedback from our consumers and employees at PepsiCo, but I’ve also found that some of the best advice has come in moments I least expected it.

Once, I was taking ballroom dance lessons and my instructor was struggling with the lesson. “Why?” I asked. He replied, “Because you’re trying to lead when you need to follow.” Then he added, “If you learned to follow, you’d be a better leader. And it would make you a better dancer.” What a profound lesson.

There’s a reason we have two ears and one mouth. We should do more listening than talking. We should lead as CEOs. But we should also learn to follow, if needed. We should listen to the wisdom all around us.

5) Be a student for life

My fifth lesson is to keep learning. I’ve tried to be a lifelong student. That’s especially important given the age we’re living in. Data analytics, automation, and other new trends and technologies are transforming our industry and our world.

If we’re serious about navigating all this change, we need to continually educate ourselves. That’s why I recently took a course on Big Data. But being a CEO today requires more than just taking a course. It requires getting out of our offices and seeing things up close.

Everywhere I go, I talk to as many people as I can to try to get a full picture of our business. I talk to customers, field salespeople, and all our employees. I talk to elected officials and civic leaders. I take photos of how our products look on the shelf. I also attend industry conferences to stay on top of the larger trends that will disrupt or define our industry in the coming years.

I’m constantly trying to consume as much information as I can from as many sources as I can. I can’t afford to stop learning. None of us can. CEOs need to be students for life, and all our employees do, too.

6) People are everything

That brings me to my sixth lesson, which is that people are everything. The success of an enterprise usually comes down to one thing: the team.

In the past, if you wanted the best talent, it was all about the job. In today’s world, it goes beyond that. You need to appeal not only to your employees’ heads, but to their hearts. When Steve Reinemund was CEO of PepsiCo, he was great at that. He’d send hand-written notes to employees thanking them for a job well done.



changed completely in 2001 when I traveled to India to visit my mother for the first time after being named CEO. A steady stream of family and friends came into the house. They'd go right over to my mother and say, "Congratulations." Or "You did such a good job raising Indra."

Watching them, I realized I'd never done for our senior executives at PepsiCo what my mothers' family and friends were doing for her. So, as soon as I got back, I decided to send a letter thanking the parents of some of our executives. And since then, I've sent similar letters to spouses.

The impact of these letters has led to some of the most meaningful experiences I've had at PepsiCo. If I have one request for those of you reading this who lead people, try this. The reactions you get will move you more than you can know.

7) **"Leave the crown in the garage"**

None of us is just an employee. We're also mothers and fathers, wives and husbands, daughters and sons, trying to balance multiple roles. And that's what my seventh lesson is all about.

I'll never forget coming home after being named President of PepsiCo back in 2001. My mother was visiting at the time.

"I've got great news for you," I shouted. She replied, "It can wait. We need you to go out and get some milk."

So I go out and get milk. And when I come back, I'm hopping mad. I say, "I had great news for you. I've just been named President of PepsiCo. And all you want me to do is go out and get milk."

Then she says, "Let me explain something to you. You may be President of PepsiCo. But when you step into this house, you're a wife and mother first. Nobody can take that place. So leave that crown in the garage."

She was right, of course. No matter who we are, or what we do, nobody can take our place in our families. Now, I'll admit, I've found it's rarely possible to be the kind of mother, wife, employee, and person you want to be – all at the same time. Often, you need to make a choice, and that's especially true if you want to be CEO. There's no way around it.

And yet, for all the painful choices my husband and I have had to make, I also know our family has been incredibly fortunate. Many families in this country don't have extended family to help with childcare or jobs that give them the financial means to pay for additional support.

This is a challenge we need to take on urgently. We need to come together, as corporations and as a society to support workers who are caring for young children, aging parents, or both.



onsite childcare at our headquarters in Purchase, New York and near-site childcare for employees in Plano, Texas. And we offer access to quality childcare for employees in certain markets around the world. That’s just part of our larger effort to make sure we’re supporting our working caregivers in every way we can and empowering people to build not just a career, but a life.

I’m learning new lessons every day. But these are the seven critical lessons I wanted to share with you. These seven lessons translate into the seven characteristics of a great leader: Vision. Persistence. Persuasion. Listening. Learning. Collaborating. Humility. Probably no single person embodies all these virtues. I know I don’t. But anyone who can do these seven things, who possesses these seven qualities, will be a formidable leader.

I’m not done learning—and I’d love to learn more from you. I hope you will comment below to share your own leadership lessons.



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