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# The Trust Equation

The foundation of every relationship, whether it's personal or professional, is trust. Martin Drinkrow teaches this important lesson to teams across Clorox's Australian, New Zealand, and South African operations.

Images by Scott Ehler

redibility, reliability, intimacy, and shared goals form the foundation for Clorox's results, both financially and culturally. With the company noting rising engagement levels and stronger results, Clorox Australia is set to see continuing success in coming years.

Clorox is a global company with leading brands that have become household names, like its namesake bleach and cleaning products, Pine-Sol® dilutable cleaner, Kingsford Charcoal, and Glad bags, wraps, and containers.

The CEO Magazine spoke to Martin Drinkrow, General Manager of Clorox Australia, New Zealand, and South Africa, to discuss the evolution of Clorox and the way the trust equation has shaped the company and its culture.

## The CEO Magazine: You've been at Clorox since 2006. What lessons have you learned over your time there?

Martin: The one lesson that springs to mind is that continuous improvement and change is something to be embraced and leveraged, not feared. I've managed a lot of change over the eight years that I've been at Clorox. It started in my role as marketing director; and now, in my role as general manager, we've constantly had to evolve the business. Effectively implementing

change management and leading the organisation through change has been an essential skill and capability that I've had to continue to develop.

#### How did you develop that skill?

I did it by experiencing the change, linking it back to my own personal beliefs and philosophies, and leading the organisation in my own particular style. For me, relationships all start with trust. If your people don't trust you, or you haven't built a lot of trust within your leadership team and across the organisation, then you're always going to struggle to lead through change because they are going to question your motivations and they won't follow you willingly or in an engaged fashion.

Trust is the glue that holds us all together. It helps us stay together through change. I came across an equation for trust quite a few years ago and it reads, 'Trust equals credibility, plus reliability, plus intimacy, over shared self-interest'. That means that you need to be credible, do what you say you're going to do, and you need to do it over and over so you're reliable, and you need to have an intimacy with your employees: people know who you are personally.

All these things are going to positively build trust. The one thing that can undermine trust is if people don't share or don't understand your self-interest in

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wanting to build that trust. Very early on in my career, I learned that it is critical to declare my self-interest, as in my self-interest to lead the organisation, be the best general manager I could be, and build a reputation as a good business leader.

I declared that self-interest to the organisation, but the important thing is that it's a shared self-interest. The only way that I'm going to achieve that self-interest is if the organisation is successful, and if that's the case, then the people within the company will benefit—whether that's because the business is growing and we're establishing more jobs, or we're delivering better results and the bonuses and salary increases are higher, or people are getting more enjoyment and engagement out of their roles.

That was how I linked it all together. I presented the trust equation as part of a roadshow I did throughout the company, and I still reference it today. I'm very well known throughout the organisation for talking about the trust equation and that shared self-interest of making the business a success for all of us.

Relationships are built on shared experiences, and I try to create shared experiences. I take my leadership team away for the weekend and I stress that it's a shared experience. It's not team bonding; we're going to do stuff together to build our relationships. >



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Relationships are built outside of the issue. When you talk about the business or an issue, you're not building the relationship; you're leaning on it. It's almost like a bank account: you're drawing on it. You're only depositing in your relationship bank account when you're not dealing with the matter at hand. That's why you take teams away: to create shared experiences outside of the issue, being the everyday dealings of the business.

From an organisational perspective, I've implemented that approach by organising corporate social-responsibility activities where employees can volunteer time at Ronald McDonald House. We make sure that a group of us go together from the senior

"Clorox is the benchmark that suppliers would like to have as clients: a professional and ethical organisation where the candidates we supply are treated fairly and with respect. Their safety is of the utmost importance." - Philip Wilson, Toll People National Sales and Marketing Manager, Toll People

directors and managers to a wide range of employees. It was a wonderful shared experience for us all, and the relationships that we built were very strong and will help us going forward.

### What are some of the major milestones for the company?

The major milestones for us are mostly internal. Our results have been good within the context of the very tough market conditions we operate within. The business is healthier today than it has been in the past. We've adapted and evolved the business from a manufacturing organisation based in an industrial area in Sydney's Padstow to a marketing and sales-led organisation that is no longer manufacturing but has moved to a sourcing model. We source all our products from third-party co-packers, both locally and overseas. Adapting that business model and building flexibility into that model was a major milestone for us.

Another achievement for us was the very high employee engagement scores that we've hit. Each year, we have an employee opinion survey, and, for the past four years that I've been general manager, we've taken our engagement score from 82 to 84 per cent, 86 per cent, and then 88 per cent. We've risen 200 basis points each year.

With Clorox's well-regarded worldwide presence, how do you leverage that global expertise and reach in Australia, New Zealand, and South Africa?

We leverage it through our functions. We operate a matrix organisation, so all my functional directors report to me on an operational basis, and they also report their functions globally. For example, our finance director reports to me locally, but he would also report into a regional finance head, who would in turn report up through the finance function all the way up through the North

American and corporate business. The reason we do that is because, as general manager, I can't make the finance director or IT manager a better functional person as I don't have that functional expertise; my personal background is in marketing. Having that global capability development coming down through the functions is absolutely paramount because we recognise that as a general manager or a CEO, or whatever your background, nobody is an expert in every single function.

#### How do you work with strategic partners to achieve success?

We work with them on a much deeper level than just calling them and asking them for the cheapest price for their products and services. Whether it's a local supplier that's providing local logistics or an international supplier that's providing packaging for our products, we'll treat them exactly the same. We'll go and actually understand who they are

as a company. We'll validate their business and their processes, and then we enter into strategic partnerships with them.

We won't just take the cheapest cost coming out of any supplier; we'll actually take our technical capability into their factories and understand how they do things, what they do, and what their values and ethics are. We have a validation process that we go through which is very effective. By doing that, we're engaging with them on a much deeper level than usual supply relationships: we want to be strategic partners with them. Therefore, they need to understand our business, so we share our strategies, our vision, and our business values.

Our values are set up in a way so that they pull against each other, creating a well-balanced culture. The values of 'doing the right thing' and 'stretching for results' balance each other and ensure that we strive for results in an ethical "In the end, my greatest vision for Clorox is to successfully build a sustainable business by engaging our people as business owners through way. To person togeth other. owner togeth other.

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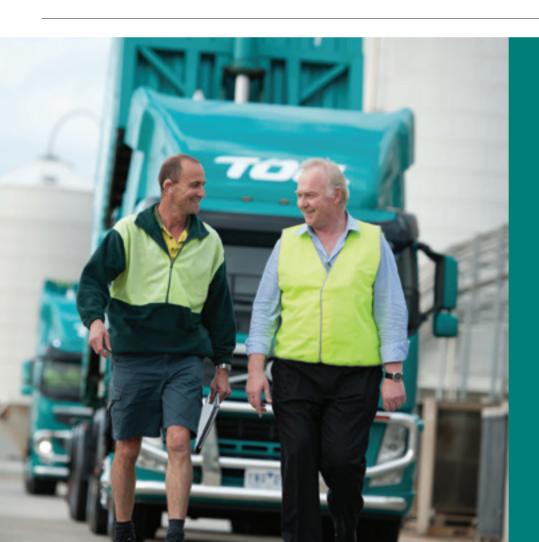
built on trust."

- Martin Drinkrow

way. The other values of 'taking personal ownership' and 'working together to win' also balance each other. You can try to take personal ownership and be a maverick on your own, but you probably won't achieve too much in our organisation because working together to win is so important.

#### As a leader, what is your vision for Clorox?

To sustainably grow the business by working with our customers to profitably grow their categories with our great brands. I want us to be really strong in key strategic segments. We talk about 'the right to win', which means that you've got a strong brand with strong market share in a growing category, and a healthy corporate business with strong customer relationships behind it. In the end, my greatest vision for Clorox is to successfully build a sustainable business by engaging our people as business owners through strong relationships built on trust. •



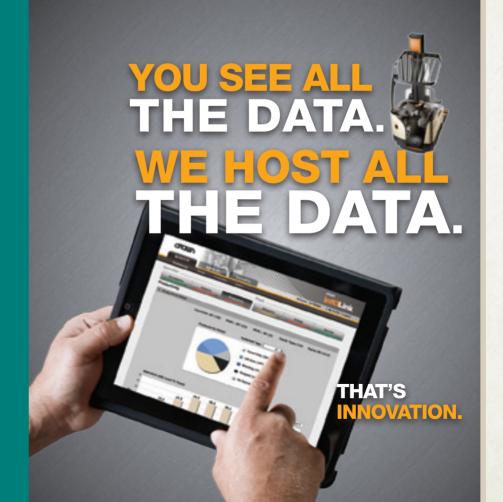
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