



# Growing Through Innovation, Insights and Acquisition

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This is an edited version of IRI's Growth Insights **C-Suite Conversations** Series, in conversation with Paul Wood, Church & Dwight's chief customer officer. Here we discuss the company's journey, the pandemic, innovation, social reach and strategies for growth.

## IRI: COVID-19

**Paul Wood:** COVID affected some of our brands and not others. It's been a little easier for us because of the diverse portfolio we have. We can start to see what is more cyclical based on things reopening and people coming back to work, and then what seems like it might stick. Certainly, e-commerce and what a subscription model might do on some of your businesses versus maybe what were impulse businesses before. We're starting to see some of that evolution. Certainly by brand, it varies, but we're starting to get a good rhythm and cadence to understand it.

We've also learned a lot about ourselves on operations, on forecasting, on trying to understand retailers. I think our partnerships with retailers have really been fruitful. We're all in this together.

We were pretty far ahead on e-commerce and where things were going. The pandemic just accelerated some of those trends and the speed at which they came. The partnership with retailers might be the new learning on just how to understand where we're fragile. I would say it wasn't disruptive for our business in a bad way, but more disruptive in good ways that strengthened our relationships and understanding of the inner workings of the business.

## IRI: Corporate Culture

**PW:** One of the cultural aspects that makes Church & Dwight who we are is we are asset-light, and we are lighter than many other companies from a dollars-per-headcount perspective. But I believe that is a competitive strength because it allows us to focus, and it allows greater ownership and accountability.

At the same time, we can't do everything ourselves. It's critical that our partners are not just somebody we hired to help us. We treat them as allies.

We have an incredible sales team, and I like our leanness because we are scrappy and we use data. We certainly rely on our relationship with IRI and other sources for data that drive the insights that lead us to actions. When you are lean, you have to trust the data.

Also, the speed at which we're changing makes it just as important to unlearn. Things are changing so fast, and so listening is key. And that culminates in two ways. First, we really have to be adaptive. Second is overcoming the fear of failure of trying something new. In some ways, the pandemic has given us the freedom to look at things differently.

## IRI: Acquisitions

**PW:** It was really around the turn of the early 2000s when we started acquiring companies. And since then, we've continued to buy some really big businesses almost every year. It forces you again back to data. As we're making these acquisitions and as we're doing due diligence, we really force ourselves to learn and become students of that category.

## IRI: Arm & Hammer Innovation

**PW:** Even as we went into the pandemic, we didn't back off on innovation – it is our lifeblood. In the recent environment, the marketing aspect of it had to be throttled down a little bit. But in terms of the product, the package and the offering itself, things are moving as fast as ever.

The needs of the consumer, if anything, are starting to bifurcate a little bit, because there's more platforms where they can see your product and how you show up. And certainly, on the marketing front, the materials you needed pre-pandemic versus now have escalated as well, with different platforms and ways to get our products and innovations out. So how you talk to the consumer is still changing, as retailers are definitely engaging differently.

## IRI: E-commerce

**PW:** When COVID hit, it became obvious that as fast as we were moving, we had to turn that dial up. If there's a way to get past 10, we're past 10. And so we're absolutely committed [to e-commerce]. Part of that is getting the right data, understanding the retailer, understanding these platforms. Everything's coming so fast and quick, and at the same time, partnering with the retailers; and everybody's on a different journey. Some of the retailers, we all know, were ready for it or further ahead, and others are catching up. We have to play to everybody's strengths. But we believe in e-commerce, and that is a stickiness that is going to stay in place.

## IRI: Retail and Distribution

**PW:** We know the value of how you show up and whether someone's doing click & collect or researching your product; that absolutely has been a quick change. Our content is better than it's ever been, and that was a concerted effort during the pandemic to really get ahead of that trend.

Then there's how you show up on shelf, what your packaging says, and how important that package facade is to really be your silent salesperson in a very fast-paced environment.

Back in March and April, it was as fast as you could get product off a truck onto the shelf, it was out the door. And through that process, whether it was human error or just speed of people working, we believe that the phantom inventory or the inventory levels may not be adjusted correctly to recover in the same order.

## IRI: Data and Execution

**PW:** The data's really important for us. And I know everybody says that, but we really believe it in our DNA. I think this is a competitive advantage where Church & Dwight really got ahead of it and made a concerted effort in the Center of Excellence and really focusing on data.

Now as the pandemic and other trends have shown, we have to rely on the data. It's coming in so fast and it's coming in from so many different sources. I have a saying that it's the *what, the so what, and the now what*. I think with data advances, there's more *what* coming in than ever before. And then you have to emerge at the next level, which is, What does it all mean? So, what do we do? Ultimately, it's the *Now what?* and are we executing on it?

## IRI: Trust in Data

**PW:** We're not afraid to leverage and trust the data. We're really trying to start with the question of what we're trying to get to and then turn to the people who are experts at data. As I came in the door a few years ago, I was impressed with how we were using data and how we've since evolved that even

further into forecasting and really trusting the data and having multiple algorithms working in our favor. And then starting to challenge some traditional ways of thinking or seeing the business or assumptions, and really looking at it through a different lens.

## IRI: Endless Aisle

**PW:** The challenge with endless aisle, and I think on behalf of our retail partners too, is that the e-commerce pendulum is swinging so far so fast, and it has some components that are just not as profitable. The challenge is how do you have an endless aisle experience of the right SKUs? And then when you don't have them, what does transfer? And I think back to your data and other data sources, understanding that transferability.

## IRI: Social Purpose

**PW:** Church & Dwight was the first corporate sponsor of Earth Day in 1970. It's one thing to say you were the first, but the real question is, have you stayed with it? And the answer is yes. And since then, we've just continued to build on that legacy and heritage.

That's evolved through some of the social commitments, and obviously the sustainability pieces, but it's really the culture and what are you doing when it's not as public and behind the scenes. It's really built into our DNA, the culture and how we're working. So, the social aspects blend into the sustainability. It is about inclusion and involvement. We're a very lean organization, so you have to be inclusive to get the best work and to partner and collaborate. That's the bloodline, the DNA. It's in our systems, and there's certainly things we can do better and learn from others.

## IRI: Mentoring

**PW:** I spend a lot of time working with college students and interns, because I feel like a lot of people have helped me and gave me good counsel and advice. I've shared with them that earlier in our careers, when we are younger, we focus too much on the here and now, or we're worried about the next job. I had some good mentors that said, "The role you're in now might be the only time in your life you're going to be in that role. This is your chance to build your information and your Rolodex of knowledge." And I can't tell you how true that is.

Over my career, I've done jobs that weren't linear, moving into operations or into a marketing role or sales role. I think the more diversity of experiences, the more diversity around the state of the business, the better you are longer term when you're leading folks that come from very diverse backgrounds and face diverse challenges.

Diversity of thought, diversity of experience, knowledge of data and curiosity are all essential. ♦

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