

WILLIAM P. LAUDER

ON LEADERSHIP
& LEGACY



Chair of the Board and former Executive Chairman and CEO **WILLIAM P. LAUDER** talks about generational leadership at the prestige beauty empire.

FOR MANY BUSINESS LEADERS, CONNECTING corporate giving to company values—and company values to personal ones—is a delicate balancing act. But for William Lauder, they're inextricable.

Breast cancer is the most common cancer in the world. And yet, for many years, it was rarely discussed openly; limited public knowledge led to stigma around the disease. Moreover, patients were often diagnosed too late to be effectively treated.

That did not stop Evelyn H. Lauder—William's mother and Senior Corporate Vice President and Head of Fragrance Development Worldwide for ELC. In 1992, she launched The Estée Lauder Companies' Breast Cancer Awareness campaign—and, that same year, co-created the iconic pink ribbon that would become a global symbol for breast cancer awareness. She then went on to co-found the Breast Cancer Research Foundation (BCRF) in 1993—an organization committed to advancing the world's most promising research on eradicating breast cancer.

Prior to the ELC campaign's founding, little precedent existed for companies to take a stand on social issues. To publicly fund research and run an awareness campaign—especially on a topic considered off-limits—was rare and brave. Over 30-plus years later, the campaign has multiplied in size and expanded around the world, helping save lives and transform treatment. Today, William carries on his mother's vision and mission through his role as Co-Chair of BCRF, in addition to his role as Chair of The Estée Lauder Companies' Board of Directors.

William joined the company in 1986 as a Regional Marketing Director in Clinique's New York office. Just four years later, he founded the Origins brand. He led the worldwide business for Clinique and Origins, and dramatically expanded both. He is also responsible for spearheading the company's online presence, and advocating for the company's free-standing store model. In 2004, he became The Estée Lauder Companies CEO, a role he served in until 2009; from 2009 to 2024, he served as Executive Chairman.

William also balances a wide range of board and philanthropic commitments. In addition to serving on the Board of Directors at the University of Pennsylvania, he teaches a course at the university's Wharton School called Decision Making in the Leadership Chair, which focuses on foundational principles of modern leadership. He is the author of a book with the same title. William also serves on the board of the New York Presbyterian Hospital and is

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Chairman of The Fresh Air Fund, a nonprofit offering summer camps for underprivileged youth in New York City.

During a respite from William's frequent visits to employees around the world, distribution centers, and stores, we caught up with him in The Estée Lauder Companies' New York offices overlooking Central Park. Pictures of the founder, the family and their iconic prestige brands from over the last 70 years fill the office spaces. Our conversation took place last fall, just before the start of October, which is global Breast Cancer Awareness month. We spoke about the current state of breast cancer research, the prestige beauty industry and the expectations of leadership for companies today.

Can you talk about the progress made with regard to breast cancer since The Breast Cancer Campaign was launched?

One in eight women in the US will be diagnosed with breast cancer at some point in their lives.

Thirty years ago, a woman diagnosed with Stage 1 breast cancer had to go through a highly challenging chemo and radiation treatment process. She had a very high likelihood of losing her hair. There was also a social stigma associated with the disease—women weren't comfortable sharing their experiences, so patients were essentially isolated, with little information or support.

Today, a woman diagnosed with Stage 1 breast cancer has an over 91% chance of surviving five years or more, and the therapy options are far more varied and targeted—chemo and radiation aren't the only options. The physical toll may not be as considerable as it used to be—hair loss is no longer guaranteed, and many patients are able to share successful treatment stories.

Unfortunately, many people still remain undiagnosed, and there are still people who will succumb to their diagnosis. That's why we're investing a lot of time and effort in understanding outcome disparities; breast cancer is a disease that impacts us all, but not always equally with differences in incidence rates and outcomes varying significantly across populations. By focusing on these disparities, we aim to ensure that everyone, regardless of their background, will have improved outcomes and better access to care.

BCRF has enabled enormous progress on that front. Today, the organization funds more than 260 investigators around the world. Thanks to their research—and the research of so many more—breast cancer deaths have gone down by 44% since 1989.

One of the things the BCRF requires of researchers seeking funding is that they share their results with their peers. Can you talk about that?

Research breakthroughs don't happen in isolation. That's why collaboration is central to everything BCRF does. From the beginning, we stipulated that the different researchers whom we fund must share their work with their peers—so that we're building on shared progress, not duplicating efforts. It creates a mutually supportive environment, which is crucial to uncovering breakthroughs.

Some researchers may have legitimate reasons not to initially share their work, but at some point, they have to—because a collaborative approach is vital to driving change. I'm grateful that other organizations, like the Milken Prostate Cancer Foundation, share this vision of required collaboration to accelerate advancements in research.

That collaborative approach isn't just something we champion at BCRF; it's a fundamental part of our work at The Estée Lauder Companies. I often talk about and teach a principle called "horizontal colleagueship." It's the idea that we all do better when we work in tandem—allowing us to turn a colleague's missteps into a team's learnings, and achieve more together than we ever could alone.

Back then, people didn't want to talk about breast cancer. What lessons have you learned from dealing with these sensitive topics that society wasn't ready to discuss?

It's always important to bring these sensitive topics out of the shadows and to encourage open conversation—which often involves asking challenging questions. Only a few years ago, mammogram efficacy was being discussed. The clinicians were very clear in saying: "We need earlier detection." The sooner you can identify a tumor, the more effective the treatment and the higher the likelihood of survival. But this sparked some debate in the medical community—because starting mammograms at a younger age drives up the number of younger women who are diagnosed.

That shift required people to adopt new expectations for treatment and survivability. For some, starting mammograms at a younger age seemed an imposition, disrupting long-held assumptions around diagnosis and treatment and they couldn't imagine a new way of doing things. But ultimately, this proactive approach leads to timelier interventions and life-saving outcomes.

Today, the tools doctors use to detect breast cancer are more sensitive than ever, because the machines



William P. Lauder and Estée Lauder Companies Global Ambassador Elizabeth Hurley illuminate the Empire State Building in pink for Breast Cancer Awareness Month in 2024.

see what the human eye can't. AI is very, very helpful—in radiology in particular. It is vital that we continue to leverage this technology, as evidence is only growing that it can lead to vastly better outcomes.

Broadly speaking, I hope we'll continue making progress toward finding treatments and cures. There are certain diseases that were devastating 50 years ago, 100 years ago, that are now almost eradicated. It makes you wonder how much more progress is waiting to be made—and where else we might be able to make an impact.

Where do you find the sweet spot between driving change within a company and being innovative versus honoring tradition and promoting the values that The Estée Lauder Companies has held since its founding?

The values that my grandmother, Mrs. Estée Lauder, held when she founded the company are the same values that we hold today. We carry forward a commitment to continuous learning, to creating and delivering excellent products, and to caring for our colleagues, partners and consumers. Those values aren't an impediment to innovation; they enable us to innovate.

It's also important that we accept change as a constant. Years ago, I participated in a program that prepares leaders for challenging situations. One of the exercises required us to walk from one point

to another balancing only on a tight rope. At one point, the program leader said, “if you don’t let go of what’s behind you—in this case, the handrail—you’ll never reach what’s in front of you.” I think about that phrase often; in order to continuously deliver what the consumer needs, we have to try new things—and use our values to guide those decisions.

Does that apply to your experience with retailers?

I’m a reformed retailer. I worked at Macy’s for a number of years—it was a wonderful experience. But I realized that retailers were not the only platform through which we could offer our consumers the product and experience that they receive in department stores. Back then, that was a very radical idea within our company. I pushed it because I felt like we needed to try.

I tested that theory through Origins, which is an established brand now, but was new at the time. It was one of the first prestige brands to focus on the natural source of its ingredients, and was very distinct in its positioning. We made the consumer experience more personal by employing this store-within-a-store concept that allowed for our brands to project their unique brand equity in a larger retail space. We injected this new marketing approach into the Origins DNA from the start. We told all of our retail partners, “This is what we’re going to do.” Full stop. Not, “I’m asking for your permission.”

We had a lot of people even within our company saying, “What’s Macy’s going to think?” And I remember saying to some deeply experienced executives who had a lot more gray hair than I did at the time, “I don’t care what they’re going to think. No disrespect to them, but we have to think differently.”

It might not have worked. We could have failed. My thinking was: It was one brand, so if we failed, OK, fine, we learned. But it did work—and a few years on, I started getting calls from my colleagues in other brands, saying, “How can I do that?”

Any company across the board needs to continually innovate, change and take risks. If you’re not changing, you’re going to fall behind.

You often speak about the importance of “patient capital.” How has your long-term approach impacted the business’ growth internationally?

That tension between a long-term and short-term focus will always be there. The disconnect I found when I was CEO—it’s changed somewhat since—was that most of our outside shareholders defined “long term” as three fiscal quarters. And our definition of “long term” was 10 years.

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We started planting seeds in North America in 1946, post-World War II, when the company was founded; in the UK in 1960, and in Japan in 1965-66. We started investing in Southeast Asia in the early ’70s and in China in 1990. We’ve been investing in India since the late ’90s. So, from a market perspective, we plant seeds long before the saplings come out of the ground. And then, all of a sudden, you realize, “This can be a mighty oak.”

For many years, we had been putting down roots in Latin America and South America, but unfortunately, the instability in the currencies there has presented a challenge. For the last seven or eight-plus years, we’ve been planting seeds in Sub-Saharan Africa. We’re starting to see that work pay off in certain marketplaces. We’ve also been planting seeds in the Middle East for the last 15, 20 years. And we’re starting to see meaningful progress in India as well.

Simply put, our strategy requires the patience to wait and watch. Many of our investments from nearly a decade ago are just now coming to fruition. Not every company has the ability to take on that long-term view, but at The Estée Lauder Companies, it’s foundational to our long-term success.

A phrase that keeps coming up in your book, *Decision Making in the Leadership Chair*, is “prestige beauty.” How do you define that?

In my mind, prestige beauty is about not just the superior quality, but also the high-touch quality of the consumer experience. At The Estée Lauder Companies, we strive to provide a curated experience, from beginning to end, because it’s how we achieve another important goal of ours: to create amazing products that consumers didn’t even know they wanted—but that they now can’t live without.

On the product side, our teams are constantly looking at the most recent science to create the most advanced product possible. On the experience side, we’re able to offer the consumer the expert advice to help them find their perfect product, whether that’s on a website or in our own store, or a third-party or department store. If you go to Bloomingdale’s and you say, “I need a foundation that does this for me,” the expert says, “OK, here’s the formula. Now let’s try to match the formula with the right shade for you that works to your liking.” The consumer gets the service and the attention that keeps them coming back.

In prestige beauty, you also need to meet a wide range of customer preferences. If you’re out to eat and you have too many choices, the customer just shuts the menu and says, “Tell me the specials.” But

you have to have enough choices so they get what they want. It's our job to offer the consumer just enough choice—and then empower them to make the right choice for themselves.

Leaders are rarely dealing with one major decision at a time. What's your North Star to keep you and the company on track?

Number one is the Hippocratic Oath: "First, do no harm." Whatever we do, let's make sure we do it right. Number two: Let's make sure that we are doing it with the value systems that have been a part of our company for generations.

At ELC, we have a mantra that we adopted many years ago, which is "bringing the best to everyone we touch." For us to be the very best in every aspect,

William P. Lauder speaks to employees at the company's France-based Crystal Park Office.



we have to have people on our teams who share our value system—whether we're creating the best customer experience, the best partner experience, or the best workplace. We've been through challenging environments, but ultimately, we've always come out the other side as a stronger company.

I stand on the shoulders of the family members and business giants who came before me—who set the foundation that allowed me to be successful in what I do. My grandmother was an innovative and dynamic entrepreneur, a truly remarkable woman. And my parents' passion and drive was an inspiration, whether it was through addressing the stigma around breast cancer and harnessing the power of research to drive progress, or their corporate and brand leadership. I hope the leaders who come after me will be able to do the same thing. My goal is to build that solid foundation so they can build our tower even higher.

FIONA MICALLEF-EYNAUD is a Partner in London specializing in consumer industries. **BRENDAN RILEY** and **ANDY BROWNE** are both former Brunswick Partners in New York.

As I think about developing a successful strategy, I think there has to be a bias: two-thirds of you is looking forward, while one-third is looking backwards. We look backwards to learn. What worked? What didn't work? And we look forward to say, how can we use this as a basis to build something even better? That is my true North Star.

That's why we're so proud of—and committed to—our culture of learning. Even for leaders at the very top, learning never stops. As a culture, we're constantly asking ourselves how we can be better, what we learned from our mistakes, what we've learned from our successes. And then, just as importantly, we're passing on what we learn. My job is to teach those who are much younger, who will come after, who will be here long after I'm gone, about what the values are, who we are, and what we can do to be more successful.

We advance that culture in a number of ways. One way is through our ELC x Wharton Virtual Series, where we bring in speakers to speak to our employees on a myriad of topics—from AI and data analytics to the importance of dignity in the workplace. Our hope—and indeed, what we've seen—is that exposure to experts outside our four walls sparks new modes of thinking and empowers employees to truly take ownership over their work.

Was the family dinner table growing up an extension of work lessons and life lessons?

In many ways, yes. Both of my parents were constantly talking about business, so naturally, I picked it up—both an interest in business and an interest in their own business philosophies—by osmosis. I believe my instincts were honed by just hearing their conversations.

But something I also learned from my family was the value of putting the business conversations away. My grandparents and parents were extraordinary business and philanthropic leaders, of course—but they were also like every other caring parent and grandparent, who just wanted to make sure their kids were warm enough and had enough to eat. Even as they talked strategy, they recognized the importance of having conversations about our lives.

That's just as important in the workplace as it is at the dinner table—and it shapes my leadership philosophy to this day. Sometimes you need to stop talking about business and talk about life. That's how we bring the element of family to our company's culture.

Simply put, for an organization to run well, leaders have to care about who their employees are as people. ♦