

The Economic Club of New York

501st Meeting
112th Year

Indra Nooyi
Former Chairman and
CEO, PepsiCo

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Moderator: Ali Velshi
MSNBC News Anchor
NBC Business Correspondent

Introduction

Marie-Jose Kravis

Ladies and gentlemen, I must say I love saying ladies and gentlemen. It's wonderful to have so many gentlemen joining us today. This is our 501st Economic Club of New York meeting. I'm Marie Jose Kravis, the Chairman of the Economic Club of New York. I welcome all of you here today to what is a very important, a point that we will discuss today, women in business, and mostly return on investment.

This is our second conference on women in business. Last year we focused largely on gender equality, participation in corporate leadership, boards, and this year we really wanted to home in on the very specific issue, the issue of women and investment, assets to capital, assets to growth capital, and the ability of women to not only start companies, but also to scale companies.

So, whether you're from the private equity world, asset management, venture capital, or you are entrepreneurs, we welcome your ideas and thoughts and hope that you'll engage very vigorously in our panel discussions.

We have 30 outstanding speakers who will participate throughout the afternoon in these discussions and we encourage you to engage with them as vigorously as possible. I must say that today would not have been possible without the tireless work of three women; Phyllis Yaffe

who's the Consul General of Canada, my country of birth. (Applause) Anne-Claire Legendre, who is the Consul General of France, (Applause), and, of course the one and only, Barbara Van Allen, the President of the Economic Club of New York (Applause). Thank you to all of you.

To kick off the day, we couldn't have found a better speaker, a more inspiring and compelling speaker than Ingrid Nooyi, a fellow Economic Club of New York board member and the just retired, Chairman and CEO of PepsiCo. After a long and illustrious career at PepsiCo, as Head of Strategy and Chief Financial Officer, Ingrid became the CEO of the company and really transformed it.

She really transformed it by broadening the scope and the culture of PepsiCo initiating the *Performance with Purchase* strategy that focused on more nutritious foods but also on sustainability, environmental sustainability, on engaging her employees and communities around her. I really launched this model, it is much more broad-based, broader mission corporation with deep and measurable corporate responsibility.

Before PepsiCo, Indra was at Motorola and Boston Consulting Group. (Audio went off and on) ...so at Asea Brown Boveri. Indra serves as a member of the boards of ____, the Consumer Goods Forum, Catalyst, Lincoln Center for the Performing Arts, and just joined the board of Amazon.

She holds a BS from Madras Christian College and an MBA from the Indian Institute of

Management in Calcutta. And a Master of Public and Private Management from Yale University.

We're very happy today to have (audio went off and on) ...again a fellow Club member and MSNBC anchor, and business correspondent, NBC News and MSNBC, Ali Velshi.

I'll invite both Indra and Ali to come forward. I should remind you that this is an on-the-record conversation. There's press in the back, and press in the front also. (Laughter) Ali and Indra, the floor is yours.

Conversation with Indra Nooyi moderated by Ali Velshi

ALI VELSHI: Thank you Marie Jose, it is an absolute honor to be back here with the Economic Club of New York and back with Indra, who is really, during most of my time, as an economics journalist was such a preeminent figure in the business world. And to have this conversation.

I do want to tell you all, you may have heard the announcements and you may have seen these little cards on your table. These are for the Klaxoon app, you can open it up as a website on your phone. It tells you how to do it. Throughout the course of the day I'm going to be asking you certain questions about your companies or your organizations and what they're doing about the very topic that we're discussing right now.

Please take a look, find these cards, and figure out how to do that. The other great thing is that

the program has brief bios on everyone, who you'll be hearing from today, which is great. So, we won't spend a lot of time on that, and even if we did, I wouldn't need to spend a great deal of time in telling anybody who Indra Nooyi is.

First of all, thank you for the great work that you've done. You were in 2018 one of 25 women CEOs of Fortune 500 companies, one of 7 women CEOs of Fortune 100 companies. When you look back to when you first became the CEO or even when you were a senior executive at Pepsi or at Motorola, what does it look like has changed? Are we definitely in a better place? Are we not clearly in a better place? What do you think when it comes to women in executive offices?

INDRA NOOYI: So, first of all, let me add my thank you, to the Economic Club of New York, the Consul General of France and Canada for putting on this program. I think it's an important discussion to be had. It's interesting because it's International Women's Day and around that we've had so many discussions on this topic, but this meeting is a different angle and a different take on the meeting. So, it's a pleasure and a privilege to be here.

I became CEO in 2006 and I was President from 2000 to 2006. I must say between 2000 and 2006 there was almost nobody that was female in meaningful C-suite positions. Somewhere around 2006, 2007, a big group of women entered the CEO positions. I think CEOs moved from 2.4% to 6.4%. Now, let me put this in context. Sixty percent of all master's Degrees are obtained by women. I think 67% of the top grades are obtained by women. More than 50% of college

graduates are women. So, we're talking about this awesome gender that's out there and we had a whopping 6.4% of CEOs were women. But then, a big class retired in 2017, 2018, so we're now down to 5%. Five percent is double the 2.4% we had in 2006. But it's still a very, very low number. I think we have a lot of work to do to, not just bring women to the CEO jobs, but into C-suite jobs, and to actually build a pipeline so that we can elevate women. We have a long ways to go, Ali. Some people would say, boy we've doubled women in the C-suite, come on, 5% really. So, that's the issue.

ALI VELSHI: Let's talk a little bit about, through the course of the day, we're going to be talking about investing and raising money for women, but let's start with the other side of things; corporate boards. On average, corporate boards in the United States are about 20% women. There are 12 Fortune 500 companies with no women on their boards. California has mandated women on corporate boards. A number of other countries have taken steps, including France to sort of figure out ways in which to get more women on their boards. What's the problem, and are mandates the solution?

INDRA NOOYI: I mean, the fact that only 22, 23, or 26, whatever number you look at of board positions are occupied by women, is a problem by itself. Because I think, there's a lot more qualified women to take board positions. But it's not just being on the board. Boards should welcome women, should want to listen to them. I can tell you based on my own experience that many times when women are on boards, they're always the minority. They get talked over. I've

watched women when they talk, some of the men roll their eyes. I've watched it all.

I watched men call them honey or sweetie. All of that has to change. I think the whole environment has got to change so that you don't just put a woman on the board as a symbolic gesture. But you put a woman on the board because she's going to make a difference and she will make a difference if given a chance.

I think that's what has to change. We've got to take the men who mean well, and use them to train the other men who are not used to having women in such peer positions. And change the entire environment so women can actually bring their whole selves to the board or the job and contribute, like they would like to, to improve the corporation that they sit on the board of.

I think investors have a major role to insist that companies do put women on the board because any statistic you see, any statistic, any which way you cut it, companies with more women on boards, 25%, 30%, 40% of women on boards, have better innovation performance, have better earnings performance, have better cash flow performance.

The big difference is that, I think, when women are on boards, companies focus more on the duration of the returns. When women are not on the boards, they focus on the short-term level of returns, which always goes down over a period of time. I think women care more about, and I'm making generalized statement, but bear with me, I think having women on boards actually builds

more sustainable, strong enterprises over time. It's just that you have to internalize those statistics and buy into them.

ALI VELSHI: So, let's talk about who changes that. There are various pressure points, including the Me Too Movement. But, when it comes to women on boards or in governance positions, in coronations, where is that change going to come from most effectively. Is it CEOs, is it existing boards, is it organizations like this?

INDRA NOOYI: I mean investors, investors have changed so much in companies, whether it's divesting themselves of companies that didn't meet certain investment criteria, whether it's forcing certain metrics on ESG, which is still in its early stages. Investors have a big say because they can vote with their money.

On the other hand, if you start voting with your money on every issue, pretty soon, you won't have much to invest in. I think we've got to be practical. I think we've got to start with CEOs and boards. Boards in particular. Which then brings us back to how do you have enlightened boards? Because, if you have a board that is just not as enlightened as they should be, we have a problem.

So maybe investors should hold boards accountable first, so that you churn the board to get the right people on the board.

But having CEOs accountable for gender diversity, leading to pay parity, and then gender parity at some future point, is a long-term journey. It's a long-term journey because if you're going to build that sort of an enterprise, you've got to invest to build the pipeline. You've got to invest to bring women to the forefront. And everybody should be patient that this is something that's good for the enterprise long-term, maybe an investment in the short-term. The right investment in the short-term.

ALI VELSHI: How do you think about, or how do you articulate or think about the ROI on these issues of either getting more women onto boards or more women into the pipeline for C-suite offices? How do you make that argument to a board and ultimately to investors?

INDRA NOOYI: So, this is the one that puzzles me the most, Ali, because if 60% of the master's degrees are being obtained by women, and some of the best grades are being gotten by women, 70% of buying decisions are made by women, why would you not want to incorporate all of these women into your organization. Because if they don't come in large numbers into your company, you're actually drawing from a smaller pool. And by definition, that smaller pool is not that great, because they didn't get the top grades. Remember the mathematics. So, if you really play this out, even before all kinds of statistics are put up, you know that if you employed the best and brightest, your returns have to be better, simple math.

On top of that, you can go to Catalyst or you can go to anybody, they've done the analysis on companies with two or more women on the boards, and companies, the large number of people in C-suites, they perform way better than companies that don't have these numbers. So the numbers are there, right in front of us. The math that leads to those numbers is also there. There's some barrier that is preventing people from internalizing that math and saying, boy something has to change in our company.

ALI VELSHI: It's not possible that they don't know the math. We've talked about this a lot.

INDRA NOOYI: If they don't know it, then we've got to have a crash education program for all of these companies. Really fast. Because I don't think you can go on a college campus and not see the top grades being obtained by women and that 60% of master's graduates...I mean, I heard an interesting statistics from the President of MIT. He said, 47% of engineers from MIT are women, 47%. Where are they? I think we have to really ask ourselves the question, as a country, are we underutilizing this incredible talent base that we're educating, that are driven, that are aggressive, that are aspirational, that are passionate about what they do. And then we label them emotional, just not focused on the job, focused on other things. I think we do women a big disservice.

ALI VELSHI: So, if you look at pipelines again, putting women in very, very obvious positions to take executive suites, one thing that we've seen over the last two years is that the Me Too

Movement has helped on some fronts, right. It's got to help some people get fairer treatment at work. But we still have pay inequity, what do CEOs have to do to send the message in their own companies that there are things we have to fix in a sub 4% unemployment economy in order to attract the best people who are going to track their way all through the company and become the CFO or the CEO or the President, and end up on the board.

INDRA NOOYI: I think it's a very complex issue, Ali. It's not a simple one. There's many areas that need to be addressed. First we talked about, there's got to be a commitment. You've got to look at the numbers and say, I've got to get the women into the company. That's the first one. If it's not the CEO, they've got to be held accountable by boards or investors to meet those numbers. That's the first step.

Second, there's no point in bringing the women into the company if women cannot function effectively. So, addressing this whole issue of unconscious bias or conscious bias, whatever it is, has got to be taken care of. I know that in my case, I can't tell you how many times, early in my career, I'd be talked over, or I can see the men rolling their eyes when I spoke. Those days, there were very few women, now the numbers are there. If anybody rolled their eyes when a woman spoke when I was there, I offered eye drops. I said, anything wrong with your eyes. That's got to stop. We have got to change this behavior. (Laughter)

If a woman gets talked over, stop the meeting and say, hey can't she finish. We have got to do

that within companies so that women don't feel like I can't express myself because somebody will talk over me, or I can't make a point because I won't be heard. We have to fix this whole unconscious or conscious bias inside companies. That's very important.

Third, I think we do have to talk about giving women the ability to have a family and to work. I'm not here to talk about work/life balance, but worrying about that whole family ecosystem has to be something we talk about.

The fourth is, how do we give women the right jobs. Women occupy 45% of HR jobs. They have more than normal representation, general counselor, administrative jobs, how do you put them in line positions because even today line positions are considered sort of more a men's job and staff positions are considered women's jobs. How do you make it work for women to have these operating jobs?

Finally, if 45% of HR jobs are held by women, how do you hold those HR people accountable to make sure that women have pay parity for the work they do with the men. I think there's a lot of steps that we have to take and it's important that we march through those steps as opposed to expecting that you put out a mandate for parity of women, or 100 CEOs by some day, and it's going to happen. It has to be very systematically built.

ALI VELSHI: Let's talk about the eye drops thing for a second. How many people in this room

have been in a board setting or an investment setting or a job setting and have witnessed some form of what Indra just described, women or men. How many people have seen somebody discount a woman in a room? I have.

Indra, I think some of it is deliberate and some of it is cultural and some of it is inadvertent from people who don't know what they're supposed to know. How do you...the eye drops is an interesting one. How do you do this in a way that allows perpetrators of that behavior to understand it's not acceptable?

INDRA NOOYI: So, you can't call them out there all the time, because then it looks like you're picking on people. You just have to take them out and have a conversation post meeting. And then figure out what kind of training to give them. Because honestly, sometimes, I feel like they don't even know they did it. It just happens. Society, they've done it in their social life and they just do it intuitively, or instinctively.

I think it's training, training, retraining, until you get it right. And then, if you don't get it right, then you've got to go find a job someplace else, because you're not good for the environment in the company because it's not aligned to the objectives of the company which is, bring more women, build diversity. But it's not just diversity, it's diversity and inclusion, because if they don't feel included, it actually thwarts your agenda.

ALI VELSHI: Right. And in a low unemployment environment, that's a big problem for a company.

INDRA NOOYI: Critically important, yes.

ALI VELSHI: The issue of unconscious bias, where in a company like Pepsi did you see it most? Is it a hiring issue? Is it a promotion issue? Where do we practice the biases that we have, that we don't really think about, about a young employee who might want to get married and have children and hence may not be with us as long as the male employee was. All of the versions of unconscious bias that we have.

INDRA NOOYI: It's everywhere, and I have to give a lot of credit to my predecessor, Steve Reinemund because when he took over as CEO in 2000, he said that, I'm going to put a scorecard in that is so rigorous, I'm going to get the numbers in for diversity. Because if I don't have the numbers, I can't put the programs in place to really change behavior.

So, he put a scorecard in which said, I want parity hiring, parity promotion, and parity turnover. Meaning, if too many women leave, we'll start asking the question, why are more women leaving? Hiring, I want parity in hiring. Parity in promotions. So, it actually penalized people who don't execute on the scorecard. Some people complained that Steve shouldn't have put a scorecard in, it actually led to some bad behavior. I don't believe that.

What Steve did was brilliant. Because he said, let me put that scorecard in for a few years, I'll get the numbers in. Once I have the numbers I can now train a larger group of people to change behavior. So, in many ways I stood on the shoulders of Steve, and I could build on what he did. If you don't have the numbers, trying to change a culture with 4 and 5% women in the C-suite, it's not going to happen. Because a large number of meetings are still going to be without women and the one woman who's there, ends up behaving like a male, because you have to in order to fit in. I've been there. I'm sorry. You just talk sports language and you high-five people and you carry on, you have no choice. (Laughter)

ALI VELSHI: So that's an interesting question, because when you become the CEO of a major company, statistics indicate that your successor will not be a woman. So, the point is, you are now either going to do the thing you have to do to continue with the way the company has been run and has performed, plus you have to make any necessary changes that you're only going to make as a woman. And you've got to face the reality that once you're out, some of the sensibilities you bring as a woman may not be represented in that executive office for some time.

That's a lot of pressure on a woman in an executive position. Because you have to some degree represent the cause, while not doing any damage to the company, in the short-term, and understand that the cause may not be continued after you, because somebody may not have those sensibilities.

INDRA NOOYI: Look, if it's a cause, and it's something that's a program, just for my tenure, that's a problem. But if I did my job right, I inculcated this knowledge in the company which said that 60% of master's degrees are obtained by women, more than 50% of the best grades are obtained by women, if you want the best and the brightest, especially for a company like PepsiCo, where 85% of the buying decisions are made by women, if our company does not reflect the face of the consumer, we have a problem. I hope long after me that spirit continues.

Now, the criticism I've gotten was, why were you not replaced by a woman. Which I tell you something, I thought about that a lot because I was developing women as we went along. Here's the sad part, because we are such a huge company, \$63 billion in revenue, \$150 billion market cap. When women bubbled up to sort of C or minus 2, they get pulled out to be CEO of a smaller company. So, where I feel decent is that there's at least five companies out there with PepsiCo women alumni as CEOs. But I want them back in PepsiCo. You see, that's the problem. We want them back in PepsiCo.

I don't know how to address this issue. Hold onto your women, don't tell anybody you have them, until they're ready to become CEOs. (Laughter) You can't do that. There are headhunters who do nothing but look for women executives, especially for CEOs of small and mid-size companies. We've given up a lot of women to become CEOs of small and mid-size companies, which I feel good about.

ALI VELSHI: You're building an ecosystem. Or contributing to it.

INDRA NOOYI: Building an ecosystem, but I'd like them to have been a CEO at PepsiCo or CEO candidate at PepsiCo.

ALI VELSHI: When talking about ecosystems, you brought up the family ecosystem. So, I want to understand from you the degree to which that works against women becoming senior executives and CEOs of companies. Within the construct and I'm glad that we have our sponsors from France and Canada here, because America has some lessons to learn on this front, when it comes to family leave, paid family leave, maternity, and childcare.

These things really trip women up on the way up. They are just, almost impossible to manage, because we don't have a cultural or regulatory framework that supports it. So, while all decisions and all fixes for companies shouldn't be made by government, we are absent a policy framework for making it easier for women to have children and raise children while being senior executives. How much of a problem is this?

INDRA NOOYI: I mean it is a real issue. I don't know about a problem. It's a real issue, because having a kid, raising a kid is a full-time job. Being an executive is a full-time job. And if you think about the pyramid, that sort of narrows as you go up, and every company, being on a

productivity regimen today and technology forcing you to be a lifelong student, you're being a student at the same time that you're trying to move up this pyramid and you're trying to keep a family going and have kids. It's a pretty tough balance.

And I say, it's not just for women, it's for families. Because in today's world with the Gen-Zs, I think men are also participating in childcare. I think it's a real family issue. And it goes to childcare, parental leave, flexible work hours. There's so many things that have to change in society so that we can get the 2.1 kids out of every family, and have a large representation of women in the workforce, because only that combination works for the country in terms of moving ahead. And how we solve that is perhaps one of the biggest issues we have to reckon with over the next, not decade, I'm talking the next two to three years.

ALI VELSHI: Yes, I mean, in comparison to OECD countries we're uniquely bad at this in America.

INDRA NOOYI: We have room for improvement, yes.

ALI VELSHI: I think the World Bank came out with a number putting us at 75th around the world in that particular issue, just last week. I have to ask you this, you are so fantastically approachable, you know, you're always friendly, and self-deprecating, and having interviewed many thousands of CEOs, that's not entirely a common trait. (Laughter) But, what happens when

you're in rooms with other Fortune 100 or Fortune 500 women CEOs? Is there a wink and a sign, are you talking about those kinds of issues? What kind of sisterhood exists?

INDRA NOOYI: You know, funny you should ask because since I stepped down, we've had two meetings of the Retired Women CEOs, about eight or nine of us, we've gotten together two times, and we're going to get together again. The first couple of meetings we just were talking about all of our experiences. Some of them are pretty scary. Very similar and scary, what we've gone through. I mean examples like, one particular CEO when she was pregnant, at about six months she was told, I guess we shouldn't give you any future promotions or interesting assignments because you're six-months pregnant. Why is that a terminal illness I don't know, but you know, things like that. (Laughter) Or, somebody else was three-months pregnant and was told, don't mention to anybody you're pregnant because then they won't give you a promotion. In the process of swapping stories, because while we were all running companies, some of us were in competitive companies, so we couldn't talk. Now we can actually discuss freely the issues that we faced.

So, the sisterhood is forming. And the sisterhood is forming in order to pay it forward. We're beginning to talk about what do we need to do differently in companies, in boards, because all of us are on boards, what do we need to do so that the next generation of women can actually come up and be successful. We're beginning the conversation and as I said, we've had two meetings, I think, the next one is in April. And we're going to be held by Catalyst which is an organization

that focuses on women in leadership positions and boards. And we're going to see what we can do to take our message on the road. So that we can actually make a meaningful change.

ALI VELSHI: I'm going to ask you a question that I think probably applies to a lot of people in this room, whether they're in corporations or they're in finance or they're in investing. At MSNBC we've sort of made a decision that we're the news, but we have a commitment to social justice. There are social justice issues that we feel comfortable taking stands on. How does that work for you? How does that work for a woman who is a CEO, how do you balance the space in which you are woke with the space in which you have to resemble and display the traits of every CEO who has come before you?

INDRA NOOYI: I didn't care about the CEOs that came before me, to be honest. All I said was, look, I'm trying to run a company that's going to be around for several decades. I'm a consumer company. And my company has got to do right by its shareholders, but also right by its consumers and society. And I could have run this company to generate extraordinary returns for four or five years and retired right after that. I would have been a heroine, but I said no, my report card is not...when I'm CEO, my report card is after I leave the company. Is it in good hands? And is it set-up to really deliver a sustainable enterprise that worries about all of the stakeholders. Many people disagreed with me. Some investors, some activist investors, but at the end of the day, my board and myself, we were totally aligned. And we decided that this is the way to run the company. I don't know if it was because I was a woman, or who I was, I have no

idea, Ali. But the fact of the matter is, I didn't know any other way to run the company. I just didn't.

When you grew up in a water distressed area and you see a Pepsi plant using three liters of water making a liter of Pepsi, that's not okay. So, my conscious was woken to say, look, we've got to make some changes so that we remain a sustainable enterprise. That's the only way I knew how to run the company. The board completely endorsed my approach and we're still around successfully today.

ALI VELSHI: I want to ask you about when you are a CEO of a major corporation and you happen to be a woman, and Me Too comes around and I know that you were largely out before most of it manifested itself. How does that play out? What are the things that go through your mind and what should a CEO, male or female, be doing when they see these things happening and they can sort of see where there's smoke, there's fire, and we all have issues with this? What's the best thing to do?

INDRA NOOYI: Isn't Me Too a result of someone that's rolling the eyes, that didn't happen enough and people talk about it. Because I bet most of the Me Too incidents, people knew about it. Men and women. And I bet nobody talked about it because it was considered okay behavior. And women were too scared to talk about it. I think in a company like ours, at PepsiCo we had so many Speak Up lines. And we had so many people watching behaviors. I'm not saying we

were pristine and clean, but I would say that would have been a real shocker if a major Me Too complaint came in. And if somebody saw a bad behavior, they would call Speak Up and we would have everybody descend on that problem. And I looked at these Speak Up calls, not who it came from, but what the calls were. And it was interesting, when the Speak Up calls came down, I was more worried, than when they were high. Because I was afraid people are stopping to call in, and I would insist that our HR department and compliance department does a Speak Up training again and again. Because I'd rather people talked about the issues and we addressed it, than suppress people's voice. I think companies have to give people a chance to talk about the issue, when it happens, as opposed to let it simmer for a long time. And if somebody notices bad behavior, just speak up for heaven's sake. Because the Me Too Movement which really, really upsets me, it's unfortunate now that all of the stuff is coming out, could it have been caught earlier to avoid this full-blown crisis. That's the real issue.

ALI VELSHI: To the degree that you say that it is an extension or possibly an outgrowth of the eye rolling, the diminishment, the discounting of women, that would be a good reason to not have that happen. That would be a good reason to have those call asides with people who do that, to say, this is why we don't want those as our values in a company.

INDRA NOOYI: I completely agree. But that again goes to the values of the company. Is one of the values of the company, respect diversity and inclusion, and allow people to bring their whole self to work. Is that one of the core values of the company. And do you know how to live by it.

One thing is to have it as your values, but if you don't live by it. I mean, look at the Enron values were fantastic, but they didn't live by it. So you've got to live by it.

ALI VELSHI: So, to that point, you've talked about a sustainable ecosystem that takes into consideration the needs of all of the stakeholders. What does that look like in 2019, because now we have pressure on companies, not just for gender parity, pay equity, but responsibility to the climate and the world. How do you take a traditionally formatted company, it's not a B-Corp or something, and sort of say, look there's an understanding that now goes beyond just our obvious stakeholders, that goes towards our neighbors and the state we're in and the country we're in, and the planet we inhabit, how does that discussion change? Does it change? Or are people on the board still mostly responsibly for their fiduciary assignments?

INDRA NOOYI: So, this is perhaps one of the most important discussions, which I hope you have over the next few hours. I think the most important thing is, if you look at all of these issues on other stakeholders, as a nice to do, as corporate social responsibility. To me, that's akin to asking companies, how do you spend the money you make? Because what happens is somebody will say I'm running my business, generating great returns, and oh incidentally I made a charitable contribution to a carbon reduction organization, or I spent another million dollars supporting some water event in Mali or Malawi, you know that's the traditional approach.

To me, figuring out how to spend the money you make, rather than fundamentally changing the

way you make money, is where the problem comes about. Because, spending the money you make is corporate social responsibility. Changing the way you make money is operating with purpose. So, in our case, if we didn't change our product portfolio we couldn't sustain the returns. Did it apply to a bunch of stakeholders, yes? If we didn't reduce our environmental footprint, we couldn't reduce costs, and we wouldn't get a license to operate in many societies. So, we couldn't deliver performance without an environmental agenda. And if we didn't have a people agenda, that brought women into the company, promoted diversity, and allowed people to bring their whole self to work, we couldn't remain successful, because of the talent base we had. If we didn't have that, we couldn't deliver performance.

So, we changed the equation to say, we have to make money a different way. And in order to do all of this we have to make investments. So, our focus was not on beating every index every quarter. That doesn't work. Our focus was, let's make damn good returns, over a long period of time. So that, for decades PepsiCo is a successful company in whatever form. But a successful company, rather than run this puppy so that it generates so much in four or five years, retires the CEO. Let the next person come and do whatever they want for the company. I think that's a terrible way to run a company. And our board and I decided that, thinking about how to make money in a different way, and delivering good shareholder returns, and doing that was a much better way to run the company, and that's what we did.

ALI VELSHI: Indra, thank you for the conversation. It is always such a pleasure to talk to you

and I'm not sure why you don't think you're a heroine, because you are. Thank you for kicking this conference off.

INDRA NOOYI: It's a pleasure. Thank you, Ali.