



Procter & Gamble's PUR Purifier of Water: How Global Corporate Philanthropy Builds Shareholder Value

Introduction

“When are you going to change this Children’s Safe Drinking Water program and make money for your company? Surely Procter & Gamble wants you to profit on the water purification technology—you can’t sustain your program as a non-profit!”

Greg Allgood sighed internally at this question, as it seemed to surface frequently despite the continued and rapid growth of the Children’s Safe Drinking Water (CSDW) program at P&G. Allgood (Director of the CSDW program) was not actually frustrated with the query, as he had an easy answer ready. Rather, he wished that people could more easily see how his team’s non-profit work was adding greater value to the \$80 billion dollar company than a for-profit sales model ever could. Procter & Gamble is a data-driven company, and after 24 years as a “Proctoid” he knew this better than anyone. Greg had significant qualitative and some quantitative information to support the idea that, in some cases, a non-profit business model could do much more for the bottom line than could a for-profit model. However, he knew that he needed to do even more to clarify this point for others. As he took a moment to think back on this year’s highlights, he wondered again how to show others more data on this counter-intuitive idea. Before he answered the question, he reflected back on the day he knew that the sachet of PUR water purification powder would save lives and was worth fighting for within the company. He also reflected on where supporting the product had taken him over the last few years.

Background on P&G

Established in 1837, the Procter & Gamble Company began as a small, family-operated soap and candle company in Cincinnati, Ohio. In 2010, P&G marketed over 300 brands including Tide, Always, Crest, Braun, Charmin, Duracell, Folgers, Gillette, Pampers, Pringles, Tide, and Wella. With over 135,000 employees working in over 80 countries worldwide, P&G was the world's largest consumer products company with over \$80 billion in sales.

P&G has a strong history of philanthropy, understandable in a company with a mission to “improve the lives of the world’s consumers now and for generations to come.” The Corporate

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Sustainable Development (CSD) department was formed in July 1999 as a global organization under the leadership of George D. Carpenter. The department focused on defining P&G's overall sustainability policy, identifying emerging sustainability issues, managing corporate sustainability reporting, building external relations, and assisting the business units in incorporating sustainable development into their businesses. P&G embraced sustainable development as a corporate responsibility, as well as a potential business opportunity. P&G demonstrated a commitment to the economic and social well-being of a range of stakeholders and to regional, national and international development.¹

Since 2004, the Children's Safe Drinking Water program has been P&G's effort to provide clean drinking water to families in the developing world. In April 2005, P&G launched the Live, Learn and Thrive (LLT) program focused on the health and development of children aged 0-13. P&G goals for the children are "to help them live by ensuring a healthy start; to provide them with places, tools, and programs to enhance their ability to learn; and to help them develop skills for life so they can thrive."² Children's Safe Drinking Water became the signature program for LLT.

Clean Water Issues and the P&G Product Response with PUR

Why water at P&G? Globally, one in eight people lack access to safe water sources.³ Children, particularly those under 5 in developing countries, are disproportionately affected.⁴ Ill health from contaminated water kills more children each year than HIV/AIDS and malaria combined.⁵ As a result of water-related disease, a child dies every 20 seconds.⁶ While one ideal outcome is to provide piped clean water to every home, such an outcome is impractical in many locations and time-consuming at best. According to the World Health Organization (WHO), "Household water treatment and storage offers an opportunity to provide the neediest populations with a tool to take charge of improving their water security while they patiently wait for the pipe to finally reach them." Additionally, a vast gap exists between the status quo and the U.N. Millennium Development Goal of halving the proportion of people without sustainable access to safe drinking water and basic sanitation by 2015.⁷ Given that gap, the WHO recognizes that the private sector can contribute to improving access to safe drinking water.⁸ WHO cites the private sector as a strategic partner in bringing safe drinking water to those in need because the private sector possesses

¹ P&G 2006 Global Sustainability & Philanthropy Report, http://www.pg.com/content/pdf/01_about_pg/corporate_citizenship/sustainability/reports/sustainability_report_2006.pdf

² "World Water Day Highlights Around the P&G World," Bea Buyle, Global Sustainability, 02 May 2007.

³ Progress on Drinking Water and Sanitation: Special Focus on Sanitation. UNICEF/WHO. 2008.

⁴ Tackling a Global Crisis: International Year of Sanitation. UN Water. 2008.

⁵ Procter & Gamble: PURifying the World's Water and Opening Doors. AMR Research. 2009.

⁶ Sick Water? The Central Role of Wastewater Management in Sustainable Development. UNEP/UN-HABITAT. 2010.

⁷ Millennium Development Goal 7, Target 7.C. <http://www.undp.org/mdg/goal7.shtml>

⁸ Scaling Up Household Water Treatment Among Low-Income Populations. T. Clasen. World Health Organization. 2009.

“the incentive and resources to develop the products, campaigns and delivery models necessary for creating and meeting demand on a large scale.”

According to Allgood, “the focus on global needs makes sense strategically for P&G as a global company and water is certainly a clear need.” The result of that realization was an early collaboration with the U.S. Centers for Disease Control and Prevention and Prevention (CDC). From 1999 to 2001, P&G worked with CDC to conduct village-level trials of a low-cost water filter in Guatemala. Despite the failure of the filter product, P&G and CDC developed a good working relationship.⁹ During that time, goals migrated and through a series of events P&G and CDC decided to reverse-engineer the municipal water treatment process and to convert the treatment chemicals into a powdered form. In 2000, PUR® Purifier of Water™ was launched.

The PUR product is a small packet (or “sachet”) of a pre-measured compound designed to be mixed with 10 liters of water. The water can be in any state, from dark and turbid to apparently clear but still contaminated. The packet-water mixture must be stirred for 5 minutes, allowed to flocculate (the pollutants bind to iron and other ingredients included in the sachet), and then the water must be filtered into a new container through a cotton cloth or paper towel) to ensure that all particulates are removed. The chemical technology itself amounts to, in Allgood's words, “putting a mini-water-treatment plant inside a packet.”¹⁰

During product demonstrations and in daily use, the PUR product appears miraculous when it visibly alters the appearance, taste, and quality of brackish, turbid, black water to clear, clean, and good-tasting water. Epidemiological studies indicate that PUR reduces diarrheal disease incidence in the developing world by an average of 50% and up to 90%. While other household-level water treatment options such as dilute bleach solution, solar disinfection, and filtration are cheaper alternatives (Table 1), PUR offers the advantage of clarifying even heavily turbid water; removing chemical contaminants such as arsenic and pesticides such as DDT; removing pathogens that cause diarrhea including viruses, worms, parasites, bacteria, and chlorine-resistant microbes such as *Giardia*; and, because it comes in small packets and has a 3-year shelf life, it is easy to transport and suitable for stockpiling in storage. Additionally, the treated water can sit in a household for several days and retain its purity and freshness for that entire period.

Clean Water: Something to Steal

During a visit to Kenya in 2003, Allgood talked to a woman who was drawing water from a contaminated stream where cattle were also wading and defecating. He and the team he was

⁹ Hanson, M. & Powell, K. (2006). “Procter & Gamble PUR Purifier of Water (A): Developing the Product and Taking it to Market,” INSEAD case, p. 7.

¹⁰ “Making Troubled Waters Potable: An inexpensive water treatment technology is making a difference in poor communities around the world,” Ivan Amato, Chemical & Engineering News, April 17, 2006, Volume 84, Number 16, pp. 39-40. <http://pubs.acs.org/isubscribe/journals/cen/84/i16/html/8416sci3.html>

traveling with took the woman's water and purified it for her using the PUR sachet. While they were talking to her about it, a man who had been watching from a distance came running past and stole her bucket of clean water. She was dismayed and dropped to her knees and begged for more packets. For Allgood, that was a defining moment. "We have had a lot of such moments, but this one was the defining moment for me, and I decided I would dedicate my career to making the product available to as many people I could and save lives."

PUR: A Product That Was Almost Lost

Early Commercial Sales

P&G first test marketed the sale of PUR through commercial channels in Guatemala, the Philippines, Morocco, and Pakistan in 2001 and 2002. After village-level tests in Pakistan in 2002 achieved a market penetration rate of about 60%, P&G launched a high profile commercial campaign for PUR in June 2004. The campaign primarily targeted the urban population in Sindh Province and included the participation of the Pakistan Medical Association (PMA). PMA simultaneously conducted Pakistan's largest ever safe water awareness campaign which included the support from the Pakistan Vice President and advertisements via television, radio, and billboards. Six months later, repeat purchases hovered at approximately 5% and were insufficient to provide a positive return on investment at the levels and in the time frame required for a commercial consumer good. Allgood attributed the low repurchase rate to the need for sustained communication to change public perception about the health risks of drinking contaminated water.¹¹ Consequently, despite public health benefits, the initial launch of PUR was considered a failure.¹² P&G halted the commercial campaign and donated its remaining stock of PUR to the Population Services International (PSI) office in Pakistan which would leverage its partnership with its Pakistani NGO subsidiary Greenstar to distribute PUR as part of their efforts to improve human health. It was around this time that Allgood had to fight for the product internally.

Change of Focus to Not-for-Profit Model

While the product outcome of cancellation seemed clear by extant P&G standards, Allgood was not ready to let the technology and the product die in-house. There was data, although small in scale, that the product was capable of achieving 60% market penetration. Allgood felt confident he could make PUR a success—it could potentially save lives—and he believed the company would do the "right thing." Allgood asked to meet with recently retired CEO John Pepper, based on their friendship from previous efforts. Allgood simply wanted Pepper's honest opinion—if Pepper thought it was a stretch to continue with PUR then Allgood told himself he would let go. Once in the meeting, his passion for the product overtook him, and Allgood found himself actually pounding on the retired CEO's desk when making his points on behalf of PUR. Pepper smiled as Allgood

¹¹ Ibid.

¹²Procter & Gamble PUR Purifier of Water (A): Developing the Product and Taking it to Market. M. Hanson and K. Powell. INSEAD. 2006.

finished his remarks and simply stated: "Of course. There is no dilemma—it is the right thing to do." With that encouragement, Allgood continued to lobby for support for the product.

Ultimately, Allgood found himself invited to the 11th floor of global P&G headquarters to discuss the issue with CEO A.G. Lafley. In the meeting were Greg and the head of corporate external relations. The meeting opened with the head of corporate relations explaining in clear detail all of the concerns and potential problems related to keeping the product in manufacture and distribution. The energy in the room grew intense. As Allgood took his turn to speak, he pulled out one of the photos he carried with him from his field visits with international partners. Instead of handing the photo to the CEO, Allgood, in his nervousness, actually threw it onto the CEO's lap. Deciding to pass the move off as bravado, Allgood responded with emotional and logical arguments for keeping the product alive. When CEO Lafley explained that P&G infrastructure didn't currently go that far into the field, Allgood explained that he would work with networks of NGO partners—making them much more effective along the way. When Lafley asked Greg how many countries needed this technology, Allgood responded by mentioning UNICEF's top 40 list. Lafley contemplated the facts and said that because those skeptical of the project may be right, that Allgood shouldn't go so broad. Instead, Lafley told him to proceed carefully and thoughtfully and to map out a plan of two countries per year over 20 years. Allgood left the meeting revived, as he knew it was significant that a man charged with thinking from quarter to quarter had encouraged him to make a 20 year plan.

As the internal debates resolved, P&G moved PUR to its Corporate Sustainable Development unit; and Allgood was free to focus on different business models using different partners. Allgood experimented with a cost-recovery model, with distribution through NGO partners, with social marketing, and with emergency relief. The Children's Safe Drinking Water program received much needed and strategically significant support in the summer of 2005 when 56 retired P&G officers pledged over \$680,000 to expand the Children's Safe Drinking Water program in Africa.¹³ By the end of 2005, PUR and the Children's Safe Drinking Water program enjoyed strong internal support. Allgood recounted "After the product failed commercially, PUR had a lot of baggage. The [2004 Asian] tsunami not only illustrated the large scale role for product, it established it as viable within P&G."¹⁴ In 2005, P&G won the Stockholm Industry Water Award from the Stockholm International Water Institute in recognition of PUR's role in providing clean water in the developing world and in disaster relief.¹⁵

¹³ Procter & Gamble's PUR Water Purifier: The Hunt for a Sustainable Business Model. L.J. Christensen and J. Thomas. Kenan-Flagler Business School. 2008.

¹⁴ Clean Water, No Profit; The Tsunami Gave P&G's PUR A New Life in Poor Nations After Its Commercial Failure Sarah Ellison and Eric Bellman. Wall Street Journal. (Eastern edition). New York, N.Y.: Feb 23, 2005. pg. B.1.

¹⁵ P&G Sustainability Report: Linking Opportunity with Responsibility. 2005.

http://www.pg.com/en_US/downloads/sustainability/reports/sustainability_report_2005.pdf

2006-2010: Progress through Partnerships

The Role of Schools

Focusing on the not-for-profit model, P&G expanded the reach of PUR into eleven countries by the end of 2006. Partnership with PSI continued to be important because of PSI's expertise in social marketing and experience working with local public health outreach programs. In the Dominican Republic, PSI introduced PUR using its own funds, a decision Allgood described as a "bold statement" of support for PUR and P&G's Children's Safe Drinking Water program. In 2004, PSI partnered with P&G to launch PUR in Uganda where they implemented a three-pronged approach: distributing PUR through schools where nurses and teachers serve as health educators and school children serve as ambassadors of PUR to their families and communities; building awareness through PSI sales representatives; and spreading messages about the need for safe drinking water and the campaign to provide safe drinking water. The Uganda school program proved successful with usage of PUR rising from 5% to 25%. Reflecting on this increase, Allgood commented "I've learned enough to feel strongly that school programs are critical to the sustainable provision of the PUR sachet, and that they can meet an important public health need."¹⁶ As Allgood predicted, reaching communities in need through school programs has proven to be an effective strategy. By January 2009, the Children's Safe Drinking Water program surpassed its three year goal of reaching a million children through school programs by reaching more than 1.7 million children.

PUR and People Living with HIV/AIDS

In addition to outreach through schools, the Children's Safe Drinking Water program has achieved success by focusing on distributing PUR to people living with HIV/AIDS (PLWHA). PUR is suited to the needs of immuno-compromised individuals because of its efficacy in eliminating microbial contaminants. While Kenya was the first country where P&G and its partners targeted the PLWHA population, these efforts have been expanded to programs in 8 countries in partnership with a large number of organizations including the International Federation of the Red Cross and the Red Crescent Society, CARE, PSI, Family Health International, AMPATH, the Child Fund international, Keep a Child Alive, Academy for Educational Development, Society for Family Health, and the University of North Carolina's medical school.¹⁷ At the 2008 Clinton Global Initiative, P&G pledged to provide a minimum of \$1 million in additional funds to provide safe drinking water to people living with HIV/AIDS.¹⁸

P&G has also continued to provide PUR in the aftermath of natural disasters, for emergency relief, during outbreaks of cholera, and to refugees in times of civil unrest. Since 2006, P&G, in

¹⁶Procter & Gamble's PUR Water Purifier: The Hunt for a Sustainable Business Model. L.J. Christensen and J. Thomas. Kenan-Flagler Business School. 2008.

¹⁷ P&G Sustainability Report: Linking Opportunity with Responsibility. 2009.

¹⁸ P&G Sustainability Report: Linking Opportunity with Responsibility. 2008.

collaboration with a wide range of partners, provided PUR to people suffering in the aftermath of a large number of disasters including after floods in Bangladesh, Haiti, India, the Philippines, Colombia, and Pakistan and after earthquakes in Chile, Pakistan, Indonesia, Iran, China, and Haiti. In Ethiopia, PUR has also been used during the treatment of malnutrition and has been shown to improve health outcomes.¹⁹

External Partnerships, Awareness Building, and Recognition

By 2007, the number of partners working with P&G to distribute PUR had grown to include AmeriCares, CARE, Catholic Relief Services, International Federation of Red Cross and Red Crescent Societies, Samaritan's Purse, USAID, and UNICEF, in addition to PSI. Today, this number of partner organizations working to provide the PUR packets and to raise awareness of the global clean water crisis exceeds 100 and includes governments, international aid agencies, public health and emergency response organizations, other companies, and celebrities, as well as P&G brands, employees, and retired officers. The list of awards received by P&G for its Children's Safe Drinking Water program has also grown and includes the prestigious Presidential Ron Brown Award for Corporate Leadership Award from the U.S. Department of Commerce (Table 2).

Externally, the Children's Safe Drinking Water program has gained visibility through sponsorship of the CNN Heroes series. In 2008, this sponsorship and related positive coverage of P&G and PUR resulted in donations of \$40,000 through the program's new website, www.csdw.org. The following year P&G continued with the sponsorship and donations exceeded \$100,000. In mid-2009, the Children's Safe Drinking Water program supported the launch of a YouTube video series by GOOD to heighten public awareness of the problems posed by a lack of access to safe drinking water and the importance of household water treatment.²⁰ The series reached over 1 million views in the first three months after its release. In recognition of the Children's Safe Drinking Water program's efforts, former U.S. President Bill Clinton, at a 2009 Clinton Global Initiative (CGI) event, said he could think of no other company who is doing more to stop the deaths caused by a lack of access to safe drinking water than P&G. In 2009, P&G's efforts to help raise awareness of water issues and to provide safe drinking water received commendation by former U.S. President Clinton on Larry King Live and the David Letterman Show, coverage by *Oprah* magazine and the *Wall Street Journal*, and was the featured charity of the People's Choice Awards and SOS Haiti Relief Concert.

Internal Partnerships, Awareness Building, and Recognition

Internal support for PUR has always been a critical factor as demonstrated in the aftermath of the 2004 Southeast Asia tsunami²¹ and in 2005 when personal donations from P&G retired

¹⁹ "Experiences in Haiti, Ethiopia, and Pakistan: Lessons for future water treatment programs." Global Development Alliance and Safe Drinking Water Alliance. December 2008.

²¹ P&G Sustainability Report: Linking Opportunity with Responsibility. 2005.

officers enabled expansion of the Children's Safe Drinking Water program to Malawi and Kenya.²² Employee interest in P&G's response to the tsunami led Allgood to launch a blog (<http://childrensafedrinkingwater.typepad.com/>) through which P&G employees, their families, friends, and colleagues outside of P&G could stay informed. The blog continues to be updated by Allgood during his travels around the world and is one of the ways P&G employees and people with an interest in CSDW learn about and engage with the Children's Safe Drinking Water program.

P&G brand support for the Children's Safe Drinking Water program has expanded since 2005 when P&G Italy detergent brands and the retailer Carrefour collaborated in a promotion to donate one packet of PUR to Ugandan orphanages for every unit of detergent purchased. From 2004-2006, P&G's UK/Ireland Market Development Organization sponsored a program through which educational programs about water issues in the developing world were offered and the amount of donations to PSI based on the amount of P&G product shipped. In its first year, this program, called "Water for Africa," made possible a donation equivalent to providing a year's worth of clean water to 40,000 children.

In May 2006, the PUR Water Filtration brand (U.S.) launched a campaign "Buy PUR, Save lives" which provided \$800,000 to the Children's Safe Drinking Water Kenya over two years through a combination of PUR brand contributions and the P&G fund. In 2009, P&G Beauty & Grooming adopted the Children's Safe Drinking Water program as its brand cause and hosted events in Asia, Europe and North America. P&G Beauty brands CoverGirl and Replay Fine Fragrance also established programs through which donations were made to the Children's Safe Drinking Water program for each product and each fragrance consumers purchase. Other examples of internal support for the Children's Safe Drinking Water program include P&G Kenya and Nigeria partnership to provide clean drinking water in schools.

March 2010 marked the third year P&G leveraged its BrandSaver initiative to give consumers the opportunity to support the Children's Safe Drinking Water program through their redemption of coupons. Initially redemption of one coupon was linked to the provision of 1 L of safe drinking water; but in the 2010 BrandSaver, P&G provided one day of safe drinking water for each coupon redeemed (Figure 2). According to brand manager, Samantha Sakemiller, the appeal to customers is that "if they need a product anyway, it makes sense to buy a product that allows you to take care of someone else too...It touches core human nature because everyone wants to leave a mark." The March 2010 BrandSaver was the largest ever as it included coupon savings of over \$162, and the week following its distribution was P&G's largest sales week in its 173-year corporate history. As a result of coupon redemptions during the first two years of BrandSaver's Give PUR campaign, over 60 million liters of water was donated; and, as a result of the 2010 BrandSaver, approximately 30 million days of water have been donated. Reflecting on the impact of her work

²² Procter & Gamble's PUR Water Purifier: The Hunt for a Sustainable Business Model. L.J. Christensen and J. Thomas. Kenan-Flagler Business School. 2008.

with BrandSaver, Sakemiller commented "It is something so amazing when you are able to know your work is serving a higher purpose. The more P&G can do to give back, the more inspired people are to give of themselves to the company and community."

Another important internal awareness-building mechanism is the suite of events different P&G locations host for international World Water Day and for P&G's Sustainability Week. At a World Water Day event in Brussels, P&G employees were served jugs of dirty water with labels saying "More than 1 billion people have only this to drink." "Tips" collected by servers during this event were used to provide sachets for young children and AIDS patients at a Ugandan medical center. In Japan, Spain, and China, water experts were brought in to educate employees about water issues; and in countries such as Pakistan, Spain, and Greece, World Water Day events included fundraising to support the Children's Safe Drinking Water Program. Sustainability Week events have included educational events for which P&G donated 10L of clean water for every employee who attended an event. P&G employees also often give demonstrations of PUR in classrooms and at local sporting events. Sakemiller believes from personal experience that when employees get involved in a cause-related effort through their work, it improves their entire lives and their motivation to work and to advance the cause. George Felix, a UNC Kenan-Flagler Business School alumni and current P&G assistant brand manager echoes Sakemiller's sentiments and cites the Children's Safe Drinking Water program as critical in his decision to join P&G: "[Greg Allgood] came to our school and spoke, and we did a case study on how he created the program. I was definitely looking for a company that also fit with my personal values, so whether it be me participating at a local level or the work that Greg does globally, it just really gets me excited about being a part of P&G and getting out that message of improving lives for consumers whether it be through our products or through initiatives like CSDW."²³

Taking it to the Top: Climbing Kilimanjaro with Movie Stars

In September 2009, Children's Safe Drinking Water announced a partnership with musician Kenna and other celebrities including Jessica Biel, Alexandra Cousteau, Lupe Fiasco, Emile Hirsch, Kick Kennedy, and Isabel Lucas for Summit on the Summit-Kilimanjaro, an effort to raise awareness and funds to provide safe drinking water those who lack access (Figure 3). Greg Allgood and a group of 12 celebrities and cultural influencers reached the summit of Mount Kilimanjaro on January 12, 2010. During the team's climb, Summit on the Summit was the second most popular trending topic on Twitter, and it resulted in the PUR brand gaining 50,000 Facebook fans in one day and obtained over 2 billion favorable media impressions. A visit to individuals who benefit from PUR in Tanzania before the climb led movie star Jessica Biel to comment "Meeting the people and community in Tanzania, and seeing firsthand how just one PUR sachet can mean the difference between healthy water and contaminant-laden water for an entire village, has been an invaluable and

²³ <http://www.pg.com/csdrwretiredofficers/index.shtml>

eye-opening experience for me. My hope is that others will be inspired to find ways that they can help.”²⁴

Allgood's Response to the Opening Question

Since its founding in 2004, the Children's Safe Drinking Water program has provided over 2.4 billion liters of drinking water to people in need. The first billion was provided over a period of four years; the second billion in two years; and presently P&G has a goal of providing a total of 4 billion liters by 2012. However, Allgood remains charged with measuring the effect that PUR has on sales of P&G products, external goodwill, employee recruitment, morale, and retention.

One rather indirect source of data comes from two different surveys which P&G corporate sponsors. Data collected in through its annual employee survey provides some evidence that... (fill in information based on information from Marci Hadley). The specific questions asked of respondents include...

Additionally, a corporate reputation study conducted by P&G in XXXX revealed that...(information also to be provided by Marci Hadley). The exact questions were...

Allgood reflected on his experiences to date with the product. Despite the fact that he had a long list of evidence he could supply, he chose to mention just two facts in particular as he framed his response to the question that had started his reflections. “First, when PUR was sold as a for-profit product we provided 1 million sachets in one year. Now that PUR is housed as a non-profit effort, we'll provide 100 million sachets this year through our partners. Within a few years, we'll provide more than 200 million sachets a year. We could never have obtained that kind of reach or scale if we were still on the for-profit side of the business.”

More importantly, Greg considered the honor and the corporate impact of P&G and CSDW being repeatedly recognized as a leading company at the annual Clinton Global Initiative (CGI) events in New York. At the 2010 CGI event, current CEO and Chairman Bob McDonald and President Clinton announced the latest and most aggressive plan that Allgood had envisioned yet—P&G committed to save one life every hour. In response to President Clinton's question “Why do you do this?” McDonald replied “We think it's good business, as well as good philanthropy.”²⁵ The response to P&G's new goal was phenomenal within and outside the company. Partners and employees were excited to be associated with a company making such an impact. Greg sees it as something that would never have happened for PUR or for the overall P&G brand if PUR were a for-profit business. Instead, the non-profit work seems to help cast a glow on related for-profit businesses and the company.

²⁴ <http://multivu.prnewswire.com/mnr/PUR/41049/>

²⁵ <http://childrensafedrinkingwater.typepad.com/pgsafewater/2010/10>.

Looking Ahead

More than a decade ago, the Director of Corporate Sustainable Development, George Carpenter, stated: "For P&G, sustainable development will come to life and bring value where it intersects with our ability to bring innovation to bear on issues of health, hygiene, environment, nutrition, education, and the overall quality of life of both today's and future consumers." At that time, P&G leaders envisioned "a future where our contribution to sustainable development in areas such as safe water, improved hygiene, and the quality of children and women's lives will be measured by metrics such as disease avoided, lives saved, the number of children who reach their full developmental potential, and ways women's lives are better because of the innovation brought to them through the products and services of P&G."²⁶

This vision has remained part of P&G's corporate responsibility strategy, and today the Children's Safe Drinking Water program is the signature initiative of P&G's corporate philanthropy program. Partnerships, brand support, sponsorships, internal support, and external recognition have bolstered the program.

Greg Allgood remains pleased with all that P&G has accomplished with the product over the years. Identifying how to prioritize the needs of the multiple communities served by the Children's Safe Drinking Water program, how to leverage the progress of the program to increase shareholder value, and how to maximize and quantify the impact of the Children's Safe Drinking Water program remain some of his key issues. Allgood has much to be proud of and much more to do to meet the goal of saving one life every hour.

²⁶ P&G Sustainability Report: Linking Opportunity with Responsibility. 2005.

Exhibits



Figure 1: The PUR water purification process.

MARCH 2010

P&G brandSAVER
smarter savings, better brands

COUPON SAVINGS OVER **\$162**

ONE COUPON = ONE DAY OF CLEAN WATER

GIVE PUR WATER
P&G Live, Learn and Thrive™ Initiative

Letter from Dr. Greg Allgood:

Thank you, P&G brandSAVER coupon clippers.

You have helped more than 300,000 people in developing countries by providing more than 60 million liters of water.

Each coupon you clip today provides one day of clean water to a child in need. Please join me in continuing this important mission—you can make a difference!

Sincerely,
Greg Allgood

Dr. Greg Allgood
Director of Children's Safe Drinking Water

GIVE PUR WATER
P&G Live, Learn and Thrive™ Initiative

Figure 2: First two pages of March 2009 BrandSaver



Figure 3: Media from Summit on the Summit-Kill

Table 1: Comparison of household-level water treatment solutions²⁷

Treatment	Key Strengths	Key Limitations	Initial cost outlay for users	Single user price per year	User price per liter	Estimated production cost to price ratio
Bottled	<ul style="list-style-type: none"> • Convenience • Avoid water treatment 	<ul style="list-style-type: none"> • Unknown source risk 	\$.10 - \$.30	\$22 - \$220	\$.03 - \$.30	30%
Filtered	<ul style="list-style-type: none"> • Availability and range of filter types • Effective with some contaminants • Can provide some aesthetic improvement 	<ul style="list-style-type: none"> • Results vary dramatically with filter type and condition • Need for equipment maintenance • Need for education 	\$5 - \$25	\$10 - \$50	\$.01 - \$.07	70%
Chemical	<ul style="list-style-type: none"> • Clinically proven • Chlorine availability • Effective with most pathogens • Residual disinfection • Works with turbid water 	<ul style="list-style-type: none"> • Time required for treatment • Not effective with certain strains of contaminants • No visual indicator of treatment success • Treatment changes taste and odor • Need for education 	\$.10 - \$.60*	\$.10 - \$1.20	\$.0002 - \$.002	30%
Combined Chemical	<ul style="list-style-type: none"> • Clinically proven • Effective with most pathogens • Neutralizes organic/inorganic contaminants (i.e., metal) • Residual disinfection • Visual proof of treatment 	<ul style="list-style-type: none"> • Several steps and time required for treatment • Need for education 	\$.035 - \$.10*	\$2.50 - \$7.30	\$.0035 - \$.01	30%
Ultraviolet	<ul style="list-style-type: none"> • Addresses some hard to treat contaminants • Does not address taste, color, smell • Can treat large quantities quickly 	<ul style="list-style-type: none"> • High material cost • Water must be stored and consumed quickly due to contamination regrowth • Need for equipment maintenance 	\$810	\$2 - \$20	\$.002 - \$.027	70%
Solar	<ul style="list-style-type: none"> • Clinically proven • Effective with most pathogens • Does not address taste, color, smell • Material availability 	<ul style="list-style-type: none"> • Weather dependency • Oversight required • Must be stored and consumed quickly • Not effective with some contaminants • Need for education 	\$0 - \$1	\$0 - \$1	\$.001	N/A

* User costs for several solutions take into account both subsidized (low end of price range) and unsubsidized (upper end of price range) retail prices.

²⁷ Procter & Gamble's PUR Water Purifier: The Hunt for a Sustainable Business Model. L.J. Christensen and J. Thomas. Kenan-Flagler Business School. 2008.

Table 2: Awards received in recognition of the Children's Safe Drinking Water program

2005

Stockholm Industry Water Award , Stockholm International Water Institute

2006

National Inventors of the Year Award (presented to Phil Souter and Colin Ure, inventors of PUR), Intellectual Property Owners Education Foundation

2007

Children's Environmental Health Excellence Award, U.S. Environmental Protection Agency
Grainger Challenge Bronze Award, National Academy of Engineering

Health Award Laureate, Tech Museum

Global Strategy Institute Strategic Vision Award, Center for Strategic and International Studies

International Health Communication Gold Medallion Award, Johns Hopkins University
Bloomberg School of Public Health

2008

Global Citizen Award for Corporate Philanthropy, U.S. Doctors for Africa

Global Leadership Award, United Nations Association of the USA

Presidential Ron Brown Award for Corporate Leadership Award, U.S. Commerce Department

2009

Making a Difference Award, Possible Woman Leadership Conference

World Technology Award for the Environment, World Technology Network

Humanitarian Award, Action Against Hunger

Breakthrough Innovation Award, Popular Mechanics